

THE INDONESIAN QUARTERLY

Some Perspectives on Southeast Asia and Asia-Pacific

- Current Events
- US and Soviet Military Presence in Southeast Asia: An Overview
- The USSR in Asia Pacific: An ASEAN View
- Changes in the Soviet Union and Eastern Europe: A View from Indonesia
- Current US Policy in Asia: Principles, Problems and Performance
- The Sources of Threats to Domestic Order in the ASEAN States
- ASEAN and the Pacific Cooperation: The Economic Dimension
- Book Reviews



The Quarterly

The Indonesian Quarterly is a journal of policy oriented studies published by the Centre for Strategic and International Studies (CSIS), Jalan Tanah Abang 111/23-27, Jakarta 10160. It is a medium for research findings, evaluations and views of scholars, statesmen and thinkers on the Indonesian situation and its problems. It is also a medium for Indonesian views on regional and global problems. The opinions expressed in *The Indonesian Quarterly* are those of their authors and do not necessarily reflect the opinion of the CSIS.

The Logo



To better represent the underlying ideas that gave birth to the CSIS in 1971 the Centre uses as of 1989 the logo that figures on the front cover of this journal. The original, in bronze, designed by G. Sidhartha, it consists of a disc with an engraving that depicts the globe which serves as a background to a naked man with an open book laid on a cloth over his lap, his left hand pointing into the book, his right hand raised upwards. Altogether it symbolises the Centre's nature as an institution where people think, learn and communicate their knowledge to whoever are interested, to share it with them, mankind the world over being their concern and the globe their horizon. The nakedness symbolises the open-mindedness, the absence of prejudice, in the attitude of the scholars who work with the Centre, just as it is with scholars everywhere. The inscription reads "*Nalar Ajar Terusan Budi*," which in the Javanese language essentially means that to think and to share knowledge are only the natural consequence of an enlightened mind. It is a *surya sengkala*, that is *chandra sengkala*, a Javanese traditional way to symbolise a memorable year in the lunar calendar, adapted to the solar calendar system. It consists in using words that express the perceived meaning of the commemorated year while marking the year at the same time, each word having a numerical value. Thus, the inscription, in reverse order, represents the year the CSIS was established: 1971.

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Contents

- | | |
|---|--|
| <ul style="list-style-type: none">• Maintaining the Momentum of Development <i>Hadi SOEASTRO</i> 278• Jakarta-Beijing Relations and Security Challenges in Southeast Asia <i>Rizal SUKMA</i> 280 | <ul style="list-style-type: none">• Current US Policy in Asia: Principles, Problems and Performance <i>K.S. NATHAN</i> 320• The Sources of Threats to Domestic Order in the ASEAN States <i>Paridah ABD. SAMAD</i> 332• ASEAN and the Pacific Cooperation: The Economic Dimension <i>Hadi SOEASTRO</i> 347 |
| <p>Articles</p> <ul style="list-style-type: none">• US and Soviet Military Presence in Southeast Asia: An Overview <i>A.R. SUTOPO</i> 287• The USSR in Asia-Pacific: An ASEAN View <i>Jusuf WANANDI</i> 300• Changes in the Soviet Union and Eastern Europe: A View from Indonesia <i>J. Soedjati DJIWANDONO</i> 312 | <p>Book Reviews</p> <ul style="list-style-type: none">• When the Royal Court and the National Movement Courted Each Other <i>ONGHOKHAM</i> 364• Migration and Labour of Farmer Families <i>Tommy FIRMAN</i> 366• Social Dualism and Radicalism of the "Surabaya Boys" <i>BUDIAWAN</i> 368 |

Current Events

Maintaining the Momentum of Development

Hadi SOESASTRO

THE economic theme in President Soeharto's state address of this year, is on the problem of maintaining the momentum of development in the coming years. It was not the first time that this theme was set forth, because it has always been a current topic. However, what does pose a problem, or more exactly, a challenge, is the effort to maintain the momentum of economic development on a higher growth path.

In his state address before the People's Consultative Assembly on August 16, the President announced the official economic growth rate for 1989 which reached 7.4 per cent. Various previous estimates had indicated that the economic growth for 1989 would amount to 7 per cent or even more. The World Bank had in its annual report on Indonesia already use the 7.4 per cent estimate.

At a time when a large number of developing countries, especially in Africa and

South America, were still undergoing various stagnations, Indonesia and other East Asian nations, by contrast, have been able to steadily increase their growth. Various studies focussing on this matter have generally concluded that there are two main factors for East Asia's achievement which have by far surpassed the other regions. The first one is the economic dynamism in the Pacific region which has offered a golden opportunity for the developing countries in this region to utilise is.

The second one is the economic policies adopted by these states which has enabled them to utilise these golden opportunities. Actually, there is possibly a third factor which has not as yet played its role, but which has already contributed to the remarkable performance of this region.

The third factor is the formation of "local development centres" in ASEAN, for example, so that the engine of growth of the member countries does not only exist outside the region. One of these local development centres is the increasingly strengthening economic interdependence of Indonesia,

This article is translated from the original version in Indonesian, "Memperlihatkan Momentum Pembangunan," *Suara Karya*, 18 August 1990.

Singapore, and Malaysia. Its concrete manifestation is the inception of the formation of a Malaccan golden triangle. The other centre of local development is Thailand with Indo-China as its "hinterland". This third factor is clearly not to be seen apart from the other two; which means that this development has been made possible due to the other two factors.

The third factor, however, will grow even more important in the future owing to the dark clouds looming over world economy. Should the Middle East crisis keep on dragging, and the rise in oil prices be unavoidable, the world's equilibrium would be probably seriously disrupted resulting in a world economic recession. The course and mechanism of the effect of the Middle East crisis will be felt through various markets and these will sooner or later affect them.

The rise in the oil price will also result in a cost push inflation, whereas mobilisation of the war machine in the Middle East will effect a demand pull inflation in the United States. Sooner or later this inflationary pressure will be felt everywhere. The United States will combat this with a deflationary policy which will bear the risk of recession. This will be the more so should the world capital markets be shaken. Everywhere reactions to the inflationary pressures will tend to be excessive because of the prevailing trend of increasing inflation in various countries. Last year in various countries, including those in the Pacific, economic growth has been curtailed in order to curb inflation.

The development described above will evidently have an impact on Indonesia's economy. Maintaining the momentum of development will be a delicate matter, especially to maintaining a relatively high growth

rate. In 1989, the non-oil and natural gas economic sector's growth rate stood at a high 8.2 per cent. As stated in the state address, this high growth rate has been prompted by the increase of non-oil exports which has reached 1.2 billion dollars a month, while domestic as well as foreign investments continued to increase dramatically. We should, however, not close our eyes to the fact that investments could immediately drop with a change in the country's non-oil export prospects. In other words, increase of non-oil exports, and increase of investment are two components of the same engine of growth.

Meanwhile, Indonesia is already facing pressures of inflation, which originate not from the crisis in the Middle East. People are talking about an "overheated" or overstimulated economy. Last year, when money circulation increased by 40 per cent, and inflation only increased by less than 6 per cent, there was the hope that the Indonesian economy had changed structurally towards a more inflation-proof economy. There were those who doubted the validity of the inflation figure. In fact, as of April 1990 a new formula has been used which is expected to better reflect reality. But apart from the application of this new formula, inflation is indeed on the rise again.

The problem is when and how vigorously must we put a brake on things. Tightening of the monetary policy would be felt as a shock by the business circles. But one can already read the signs that a high rate of economic expansion will not be allowed, if this situation should lead to double-digit inflation. To be sure, while a 5 per cent inflation target has been set the tolerated threshold of inflation has never been explicitly disclosed, but it could be predicted that inflation is not to

be allowed to go beyond 9 per cent. For the first 6 months of 1990, inflation has already approached 5 per cent. Many circles are questioning the consistency of tightening the monetary policy with the efforts to maintain the momentum of economic growth. The problem here is not the consistency, but how much growth can be sacrificed to maintain monetary stability. The same problem applies to the growth and trade off between distribution. All of these constitute the essence of macro-economic management which is based on the philosophy of the development trilogy.

There are still other factors which raise problems for the efforts to maintain the momentum of development over the medium and longer term. These factors have appeared on account of the high growth rate itself. One of these important factors is the availability of infrastructure and energy which matches the increased demand. These

factors appear to form the main bottlenecks for development in the years to come. Another factor is the flexibility of the "economic system". In the state address of this year President Soeharto correctly formulated these two great challenges.

Finally, one factor which may greatly affect the efforts to maintain the momentum of development in the present condition is the communication between the government and the business world. The world economy is full of uncertainties. Therefore, good communication is necessary so that government policies be synchronized with the plans and programmes of the business world. Otherwise, wrong reactions deriving from incorrect estimates might cause unnecessary damage. The business world in Indonesia is going in full speed today. Therefore, it tends to ignore or choose to ignore the signals given by government and is surprised later on when suddenly money is tight.

Jakarta-Beijing Relations and Security Challenges in Southeast Asia

Rizal SUKMA

AFTER 23 years of suspended relations, the Indonesian and Chinese governments finally agreed on August 8, 1990, to normalise their relations. The political decision to normalise the Jakarta-Beijing diplomatic relations was ini-

tiated at the historical meeting between President Soeharto of Indonesia and Foreign Minister Qian Qichen of China in Tokyo on February 23, 1989. This significant meeting was followed by intensive contacts between the two sides and led to the resumption of

relations which was earlier than expected even by the PRC itself. Regardless of the timing of the resumption of relations, what is more important is how to bring the relationship with China to a framework of interaction arrangement in conformity with Indonesia's national interest.

This article does not minimise the domestic implications but focuses on the external implications of Indonesia-China normalisation on regional politics in Southeast Asia. It seeks "to clarify" some assumptions concerning the impact of normalisation of Indonesia-China relations in particular, that it is a very significant step for creating stability and security in the Asia-Pacific region, particularly in Southeast Asia. The main question is how significant the effect of Indonesia-China normalised relations will be for the creation of stability in the region? Another question is what are the implications of the normalisation in the face of security challenges in the regional political constellation of Southeast Asia in the future?

Various changes in the contemporary global political map have affected the regional political structure of the Asia-Pacific region. Those changes have shifted the structure of relations among countries in the region from conflict to cooperation. On the global level the shift can be seen in the US-Soviet détente and normalisation of Sino-Soviet relations. On the regional level, particularly in Southeast Asia, it is reflected in the improved relations between Thailand and Indochina, US-Vietnamese rapprochement, and in the steps taken towards improvement of Sino-Vietnamese relations.

Detente in Southeast Asia is the result of the changing Soviet policy with regard to

Asia. In a speech at Vladivostok on July 28, 1986, Soviet leader Mikhail Gorbachev announced his intention to establish a new international order in the Asia-Pacific region -- a more stable order to be characterised by cooperation. This Soviet "peaceful posture" is welcomed by the non-communist Asian states. In Southeast Asia, Soviet goodwill is reflected by its decision to reduce military and financial aid to Vietnam and to put pressure on Hanoi to be more flexible in finding a political solution to the Cambodian conflict.

Signs of relaxation in tensions in the region became even more evident as the Sino-Soviet normalisation process reached significant progress in May, 1989. From the Soviet point of view, good relations with China are of more strategic significance than maintaining a close alliance with Vietnam. This perspective weakens Hanoi's position vis-à-vis China,¹ leaving it little choice but to withdraw its troops from Cambodia.²

The second indication of the détente in Southeast Asia is the change in Thailand's foreign policy towards Indochina. Bangkok, which took a hardline position against Vietnam and the Hun Sen regime in the past, has been changing its posture since Chatichai Choonhavan became Prime Minister of Thailand in August 1988. The strength of Hun Sen's People's Republic of Kampuchea (PRK) government and its failure in supporting the Coalition Government of Democratic Kampuchea (CGDK) has prompted Thailand to change its policy with regard to Indo-

¹Gary Klinworth, "China's Indochina Policy," *Journal of Northeast Asian Studies*, vol. III, no. 3 (Fall 1989), p. 27.

²Charles McGregor, "China, Vietnam, and the Cambodian Conflict: Beijing's End Game Strategy," *Asian Survey*, vol. XXX, no. 3 (March 1990), p. 273.

china.³ Bangkok has openly showed its intent to embark upon a new approach towards Vietnam, Cambodia, and Laos as part of its effort to turn the Southeast Asian mainland from a battlefield into a market place.

The third indication of the détente is the change in the US-Indochinese policy. Washington has been conducting direct talks with Hanoi as part of its policy change. Since July 28, 1990, US negotiators have held three sessions of talks with their Vietnamese counterparts in the United Nations. Based on them, there are signs that normalisation of relations between the two countries is taking place. Furthermore, the US has indicated the possibility of lifting the economic sanction imposed on Vietnam since the Nixon Administration.⁴

The fourth indication of détente is the Sino-Vietnamese rapprochement. China has reduced its forces along the Sino-Vietnamese border. Vietnam has reciprocated by withdrawing its troops. There was an important development in the relations between the two rivals as a result of the meeting between the Secretary General of the Communist Party, Nguyen Van Linh, Prime Minister Duong Mai, and former Prime Minister Pham Van Dong, and the Secretary General of China's Communist Party, Jiang Zemin and Prime Minister Li Peng in Beijing on September 3 and 4, 1990. At the meeting, both sides agreed to end the Cambodian conflict and take steps to normalise Beijing-Hanoi relations.⁵

³East-Asia, *Daily Report* (Foreign Broadcast Information Service, 31 January 1989), p. 62.

⁴*Straits Times*, 1 October 1990.

⁵*South China Morning Post*, 26 September 1990.

The developments outlined above could indeed lead to an improved situation in Southeast Asia. In this connection, the Jakarta-Beijing relations are expected to contribute to an acceleration of the conclusion of the Cambodian conflict and to strengthening stability in Southeast Asia. Consequently the first contribution will be the issue of persuading China to stop aiding Khmer Rouge with military equipments; the second is to promote relations in Southeast Asia, based on economic cooperation rather than military conflicts.

The Cambodian problem, has always been an important part of talks between the two countries during the normalisation process. At the meeting between the Indonesian Foreign Minister, Ali Alatas, and the Chinese Foreign Minister Qian Qichen, in Beijing in early July 1990, China reiterated its position that there should be a comprehensive solution with a strong UN presence and under no circumstances was the Khmer Rouge to be excluded from a solution that was acceptable to Beijing.⁶

Furthermore, during his visit to Jakarta in August, Premier Li Peng also expressed China's support to Indonesia for a solution to the Cambodian conflict.⁷ Premier Li Peng stated that China would not support the Khmer Rouge's return to power in Cambodia. According to Li Peng, China supported the all three warring factions, not only the Khmer Rouge.⁸ But, he also stated that if Vietnam withdrew its military presence in Cambodia, it would not be dif-

⁶*Jakarta Post*, 4 July 1990.

⁷*Jakarta Post*, 8 August 1990.

⁸*Suara Pembaruan*, 9 August 1990.

ficult for China to stop supplying arms to the Cambodian warring factions.⁹

However, there was an important change in China's view on the settlement of the Cambodian conflict after the resumption of relations between Indonesia and China. Previously, Beijing seemed reluctant to support the formula of the Tokyo Meeting concerning the arrangement and distribution of power in the Supreme National Council (SNC). It was agreed at that meeting that the SNC comprise 12 members among whom 6 others would belong to the Hun Sen group and 6 others would represent the CGDK. After the 9-11 September 1990 Jakarta Meeting, which adopted the Tokyo formula, China altered its position by endorsing the results of the Jakarta Meeting.¹⁰ For the first time, China also indicated its willingness to open a direct dialogue with Hun Sen.¹¹ China's changing attitude facilitated efforts to end the Cambodian conflict, even though the warring factions failed to reach an agreement on the distribution of power in the SNC.

Another positive consequence of the normalisation of the Sino-Indonesian relations is for Singapore and, possibly Brunei, to open diplomatic relations with China. Good relations between China and the ASEAN member countries will, no doubt, contribute to the stability in the Southeast Asian region. Besides, good relations between Indonesia and China could also encourage Japan not to be reluctant in supporting China's modernisation programme. In addition, a China, which is preoccupied by economic develop-

ment, is better than one which feels that it is being avoided by its neighbours.

Although a better situation may be generated by present developments in the region, shifts in the pattern of international relations in Southeast Asia suggest some potentially troubling concerns and new factors that could eventually jeopardise the security of Southeast Asia. The first troublesome situation is the uncertainty in the Sino-Vietnamese relations, and the second is the likelihood that the superpowers will reduce their role and presence in the Southeast Asia.

As to China's relations with Vietnam, Beijing remains suspicious of Hanoi's intentions with regard to Southeast Asia and is very cautious in dealing with the Beijing-Hanoi rapprochement. The Chinese suspicion is due to its worry that the Vietnamese might return to Cambodia. In China's view, Vietnam might return to Cambodia if invited by the Hun Sen Government to prevent "the reinstatement of the Khmer Rouge Government."¹² In addition, the overlapping claims to the Spratly Islands in South China Sea could become a source of conflict in the future.

Another challenge that should be considered by the Southeast Asian countries would be the reduction of the superpower role and presence in the region. In this respect, two differing views among the ASEAN member countries themselves are worth noting. On the one hand, the reduction of the superpower military presence would enable ASEAN to implement the ZOPFAN initiatives. On the other hand, it cannot be denied that a reduced superpower presence has worried some of the countries in the region about a power vacuum as there

⁹*Jakarta Post*, 9 August 1990.

¹⁰*Kompas*, 13 September 1990.

¹¹*International Herald Tribune*, 13 September 1990.

¹²Gary Klinworth, "China's Indochina," p. 35.

would no longer be a power capable of playing a stabilising role in the region. Such a situation could create an opportunity for other great powers to take over the role of the US and Soviet Union. Such worries are evident on statements made by Singaporean and Philippine leaders. Both countries believe that the reduction of US presence will cause instability in Southeast Asia.

Those worries mainly originated from the concerns about the countries in the region that might try to fill the vacuum. There are four contenders. *First*, Japan might try to replace US presence. To compensate for its departure, the US might put pressure on Japan to share the "defence and security" burden in the region. This scenario is the most likely as both Japan and the US do have interests in Southeast Asia. Therefore, it is not impossible that Japan might take over the US role as "a security guard" in Southeast Asia. Partly because of US pressure, Japan's military budget has increased by 5 per cent a year in real terms during the decade of the 1980s.¹³

Second, China might try to dominate the region. China appears to have a strong ambition to become a power equal to the US and Soviet Union, even though its leaders have denied this repeatedly. Southeast Asia is a region within China's geographic sphere of influence, and obviously China has security interests in the region. Accordingly, a dominant role played by Beijing will enable it to control the course of developments in the Southeast Asia in line with its own interests.

Third, an intensified Sino-Japanese rivalry could develop. This scenario is not unlikely, as the Chinese are already worried about "Japan's militarism," even without

Japanese domination in the Southeast Asian region. The Chinese Foreign Minister, Qian Qichen, indirectly expressed his worries about potential Sino-Japanese rivalry in Southeast Asia and the likelihood of its escalation.¹⁴ Besides, the overlapping claims of China and Japan over the Diaoyutai (Senkaku) Islands, remains a difficult and unresolved issue.

Finally, there is the potential for Sino-Japanese collusion. To prevent escalation of tensions while securing their interests, China and Japan might decide to cooperate and later divide their respective roles. It seems unlikely that the Sino-Japanese collusion would result in an alliance. The degree of the cooperation would probably be limited to a mutual understanding and common security arrangement. The countries might attempt to reduce sources of conflict between them, for example, by arranging the balance of trade and limiting territorial disputes. This scenario, is the most likely in the near future, since China still needs Japan's assistance to support its modernisation programme. As for Japan, having a hostile relationship with China would be far from optional.

For Southeast Asia, the fourth scenario would undoubtedly be more acceptable than the three others. Fear of Japanese militarism (first scenario) would be dampened by a challenge from China. It would be difficult to imagine a stable Southeast Asia with prevailing conflict between Tokyo and Beijing (third scenario). Should China show hegemonic tendencies (second scenario), then the Southeast Asian region would face even more complicated challenges due to the continuing conflict between China and Vietnam

¹³ *US and News Report*, 23 April 1990, p. 33.

¹⁴ Robert Ross, "China's Strategic View of Southeast Asia: A Region in Transition," *Contemporary Southeast Asia*, vol. 12, no. 2 (September 1990), p. 111.

and their overlapping claims on some islands in the South China Sea. The problems which might arise from such a situation would not only involve China and Vietnam but also some ASEAN countries, such as Malaysia and the Philippines, which might also lay claim to some of the islands in the South China Sea. It could be said that conflict in the Southeast Asian region might be even more complicated than the Cambodian conflict.

Aside from the territorial conflict, the perception of China by some Southeast Asian countries may also complicate the region's security arrangements. So far China has to face three major problems: *First*, long standing suspicion by the ASEAN member countries of China.¹⁵ For more than three decades Beijing has been considered to be the source of arms in communist upheavals throughout the Southeast Asian region. *Second*, Indonesia and Malaysia are particularly suspicious of China's regional ambitions. They perceive China as a greater threat than Vietnam, and that the Vietnamese invasion of Cambodia was the result of the Chinese threat to Vietnam.¹⁶

Third, in spite of the fact that a rapprochement has been initiated between China and Vietnam, Hanoi still views Beijing as a threat. Hence, it seems unlikely that China will emerge as the dominant power in the region (second scenario) without growing opposition from some ASEAN member countries and Vietnam.

¹⁵Sheldon W. Simon, "China and Southeast Asia: Protector or Predator?" *Australian Outlook*, vol. 39, no. 2 (August 1985), p. 94.

¹⁶C.Y. Chang, "The Sino-Vietnam Rift: Political Impact on China's Relations with Southeast Asia," *Contemporary Southeast Asia*, vol. 4, no. 4 (March 1983), p. 540.

The new relationship between China and Indonesia could prevent the emergence of the worst case scenario for Southeast Asia. A renewed ZOPFAN initiative could be an alternative. The present trends in the Southeast Asian region have demonstrated that ZOPFAN has gained sufficient acceptance to be considered a realistic initiative. The US and the Soviet Union have demonstrated their intention to reduce their military presence in Southeast Asia. The Soviet Union seems to be more concerned with efforts to promote its economic relations through closer cooperations with the countries in the region. The Cambodian conflict is moving towards the final phase of its solution, and it is worth noting that the countries in this region have succeeded in detaching the Cambodian conflict from the involvement of external powers. This opportunity should be seized by Indonesia and ASEAN to renew and strengthen the ZOPFAN initiative.

With the ZOPFAN initiative, ASEAN may achieve its goal of seeing a Southeast Asia that is not dominated by some power from within or outside the region, operating at the expense of other countries. ASEAN believes that Southeast Asian problems should be solved by the countries and the region themselves. In this connection, China has stated its support to the ZOPFAN initiative.

Furthermore, a stable Southeast Asia would be more feasible if China-Vietnam relations were to become normal soon. In this context, Jakarta-Beijing relations should be maintained based on principles that do not arouse Hanoi's suspicion. On the other hand, the elimination of Beijing's suspicion about close relations between Vietnam and

Indonesia could speed up the normalisation of relations between Beijing and Hanoi. In other words, better Indonesia-China relations could accelerate the establishment of a mutually beneficial China-Indonesia-Vietnam triangle.

If such a condition could be realised, ASEAN would be able to focus its attention on matters pertaining to economic coopera-

tion. This would be more feasible since economic cooperation and development calls for a safe and peaceful environment. To create a safe and peaceful Southeast Asia, improved relations between China and Vietnam constitute a key factor. It is also in this context that ASEAN may contribute to the acceleration of the transformation process in the Sino-Vietnamese relations from conflict to cooperation.

US and Soviet Military Presence in Southeast Asia: An Overview

A.R. SUTOPO

IN contrast to the confrontational years of the superpower relations in the early 1980s, in the second half of this decade, the world has witnessed the development of detente, and the emergence of improved US-Soviet relations. Although it is not clear whether the recent developments signify the end of conflict between the two nations, dialogues between them are suggestive. There have been five summits between US presidents and the Soviet leader in the last five years, and they have created favourable condition for a more peaceful coexistence. The new "strategic thinking" on both sides paved the way for the conclusion of the treaty on intermediate-range nuclear forces (INF) in December 1987, and efforts are underway for an agreement that would stabilise the long-range nuclear balance through substantial nuclear arms reductions.

The year 1989 witnessed a new phenomenon in international system as East-West tense relations has been replaced by positive

changes symbolised by the removal of the Berlin Wall. Fundamental change has occurred in Poland, Hungary, Czechoslovakia, East Germany, and Romania. The whirlwind sweeping over Eastern Europe is an unprecedented event, carrying away the Cold War period that dominated our international system since the end of World War II. This has helped change the complexion and the configuration of the world map. East-West confrontation, as it used to be understood, seems unlikely in the 1990s; instead, the US-Soviet relationship that characterised East-West relations would seem to be less costly, tense and risky. But improved relations do not necessarily represent the end of Cold War thinking and behaviour among certain circles. Many believe that the West, particularly the US, won the Cold War competition.¹

Paper presented at the ASEAN-ISIS Workshop, Bangkok, 11-12 May 1990, organised by Institute of Security and International Studies (ISIS).

¹See, for example, David I. Hitchcock, Jr., "The United States in a Changing Pacific Rim: Asian Perceptions and the U.S. Response," *Washington Quarterly*, vol. 12, no. 4 (Autumn 1989), pp. 123-38; and Arnold L. Horelick, "U.S.-Soviet Relations: Threshold of a New Era," *Foreign Affairs*, vol. 69, no. 1 (1990), pp. 51-69.

The impact of US-Soviet detente has been felt not only in Europe but also in the Southeast Asian region. The US and the Soviet Union have had historic interest and for long been present in the region, including, but not limited to, a military presence. This military presence was usually justified by the need for regional security. For this reason, perceptions on the security of Southeast Asia have, to a certain extent, been influenced by, and been attached to, rightly or wrongly, such a presence. For example, many believe that the US military presence in Southeast Asia has created the stable environment that has contributed greatly to the national development in many countries in the region.² In contrast, some argue that a superpower military presence does not necessarily contribute to regional stability and development, pointing out as an example the security situation in the Philippines where formidable US bases reside.

This paper seeks to present an overview of US and Soviet military presence in Southeast Asia and its implications for regional security. *First*, the paper deals with US and Soviet approaches to the Asia-Pacific region in view of their military presence in Southeast Asia. *Second*, the paper assesses the effects of US and Soviet military presence in the Southeast Asia and Asia-Pacific region in light of their adversarial political and security relationship. *Finally*, some conclusions are drawn regarding regional security and ways in which the new geopolitical and geostrategic situation will require adjustments by the regional states.

The question is security from what? Since security is concerned with relations among nations or states, a few preliminary

words will be addressed on this point.³ In its simplest sense, security can be understood as a guarantee for social, economic, political and military safety. Applied to Southeast Asia, it means the safety of the nations and the states in the region from every level of social, economic, political, and military threat caused by internal and external forces. Because Southeast Asian security is a complex subject, the paper will focus on one of the elements, namely the link between superpower military presence and the regional security.

US and Soviet Approaches to the Asia-Pacific Region

Unlike Europe, where there is no geographical proximity between the US and the Soviet Union, both superpowers share a common border in the Northern Pacific, namely between Alaska and Siberia. However, there is no indication of tension between the two superpowers. But this does not mean that the Asia-Pacific region is of minor strategic significance to both the superpowers. From a strategic point of view, the Asia-Pacific region may have been the second most likely area for military confrontation between the superpowers. The US and Soviet Union deploy considerable military forces in this region.⁴ In the case of the US

³An excellent and comprehensive discussion on security as a concept in international relations can be found in Barry Buzan, *People, States and Fear: The National Security Problem in International Relations* (Brighton, Sussex: Wheatsheaf Books, Ltd., 1983).

⁴See, *Military Balance 1989-1990* (London: IISS, Autumn 1989), pp. 26 (for the United States) and 42 (for the Soviet Union); and US Department of Defense, *Soviet Military Power: Prospects for Change 1989* (Washington, D.C.: US Government Printing Office, September 1989), pp. 112-20.

²Hitchcock, "United States in Changing Pacific Rim," p. 124.

this has been supported by the presence of political, military and security arrangements with many states in the region. However, while a few decades ago the region was an arena of intensified military competition for the superpowers, recently it seems that the intensity of the competition is slowing down.

Since the end of the World War II, the Asia-Pacific region has become one of the most important areas of contention between the US and the Soviet Union. The Korean War, the Quemoy crisis, the Vietnam War, military alliances, defence arrangements and other pacts all testified, in varying degrees, to the significance of the Asia-Pacific region to both the USA and the Soviet Union. In the case of the US, a great number of men shed their blood and a great expense was incurred to defend what was considered to be American vital interests and the survival of their allies. The US could not forget Pearl Harbour and the surprise attack that led it into the World War II.

After World War II, the Pacific region was the theatre for the bloodiest wars fought by Americans. As the US world view was determined by a systemic conflict between the capitalist and the communist worlds, it treated the Asia-Pacific region similarly like the other parts of the world where conflicts and revalries between those two opposing ideologies marked superpower relationship. From Truman, Eisenhower to Reagan, the Asia-Pacific region not only witnessed but also felt the effect of US efforts to contain the spread of communism led by the Soviet Union and other Asian socialist countries. To meet the goal, the US established a chain of military and political pacts with countries in the region, extending from Korea to New Zealand, and from Japan to Pakistan.

In contrast to the position enjoyed by the US position in the Asia-Pacific region, Soviet military presence in the region has been less direct except for forces deployed in its own Asia-Pacific territory and to Vietnam. The Soviet Union was preoccupied with its first priority in Europe, its most important security interest and dominant cultural roots. In addition, in the Asia-Pacific region, the Soviet Union faces more problems than enjoyment. Besides the secondary nature in its foreign policy priority, the Soviet Union did not develop important economic relations with Asia-Pacific states. Furthermore, Soviet relations with China, Japan and the US presents a security complex.⁵

Meanwhile, from regional states' point of view, most states in the Asia-Pacific region maintained, for different reasons, closer political and economic relations with Western, industrialised states than with the Soviet Union. However, the relationship between the US and the Soviet has experienced ups and downs, but the two superpowers have not been involved in direct military confrontation. Their struggle for power in the Pacific area has taken other forms.

In the 1980s, US-Soviet relations may be divided into two main phases. The first is referred to as the Second Cold War period,⁶ followed by the post-Second Cold War period. During the Second Cold War period, strains and heightened competition characterised relations between the two

⁵On the notion of security complexes, see Buzan, *People States and Fear*, chapter 4.

⁶See, for example, Hadi Soesastro, "The US and the USSR in the Second 'Cold War' and Its Implications for Southeast Asia," *Indonesian Quarterly*, vol. X, no. 1 (January 1982), pp. 52-58.

superpowers. The new Reagan Administration pursued a more anti-communist policy vis-à-vis the Soviet Union through three broad policy objectives. *First*, he would enhance the US military capability in order to deal with the Soviet Union through substantially improved US military capability, particularly in conventional force strength. (President Carter had already begun to modernise certain weapons systems, such as land-based MX missiles, the Trident submarine, and Rapid Deployment Forces). Additional nuclear warheads were added to the arsenal, the B-1 strategic bomber programme was revived, and the space defence initiative (SDI) received additional funding. Conventional forces, especially the Navy, received attention with plans to establish a 600 ship Navy, and increase its military capability with two nuclear-powered aircraft carriers and fifty-eight modern combat ships.

This period might, in some ways, resemble the 1950s, particularly the early years when the US adopted the strategy of massive retaliation. As in the 1950s, when the US, in the spirit of containment policy, established a chain of defence and military arrangements with the Asia-Pacific states, in the 1980s Reagan exploited the increasing Soviet military presence in the Pacific, including the use of Cam Ranh Bay and Da-nang in Vietnam, to win support for his position. The US argued that its presence was important, not only for America, but also for the security of East and Southeast Asian states,⁷ especially for the defence and security of the sea-lanes of communication.

Second, the Administration used economic pressure and diplomacy on the Soviet Union, whose economy was dependent on imports from the US (particularly wheat) and other Western countries (particularly those related to advanced technologies). The Reagan Administration believed that by limiting trade with the Soviet Union, it could be compelled to change its domestic and foreign policies. The American President, however, was not able to convince his allies at this point.

And *third*, the Reagan Administration reiterated his commitment to check and reverse Soviet influence in the Third World. It was his policy to direct economic and military aid to Third World countries whose security was considered vulnerable to communist and Soviet threat. The manifestation of this policy was symbolised by US military intervention in Granada, its increased military assistance to Pakistan to contain Soviet presence in Afghanistan, and its pressure on Nicaragua through economic and military assistance to the Contras. With regard to Southeast Asia, Reagan pledged support to Thailand, which the US considered a front line state facing Vietnamese ambition in the region.

Beginning with the second Reagan Administration, however, the superpower relations entered a new phase that constitute the beginning of the second period where rivalry and competition, if constructive, between the two reflected to a greater extent the great power behaviour. During this post-Second Cold War period, the relationship between the superpowers developed into detente. Perhaps the first Reagan Administration had concluded that its jingoistic approach to international relations and reliance on military muscle was unsatisfactory in curtailing Soviet influence and especially in winning the

⁷See, for example, Richard L. Armitage, "United Defense Policy for East Asia and the Pacific," *Asia Pacific Defense Forum*, Special Supplement (Summer 1983).

sympathy of many Third World countries. Moreover, his approach had created strained relations between the US on the one hand, and its allies and friends on the other hand, due to differences of their assessments of international circumstances.

In the Soviet Union, this phase was marked firstly by the emergence of Mikhail Gorbachev in the Soviet leadership who then brought new atmosphere not only within the Soviet Union but also concerning the way the Soviet Union dealt with external environment. While Gorbachev realised that Soviet social and economic structures needed to be reformed, which he pledged to do under his programme of *perestroika* and *glasnost*, that also included economic reform and political democratisation, he was aware that the Soviet Union needed a new thinking in conducting its foreign relations. In other words, the Soviet Union needed a conducive environment to facilitate the success of his domestic reform through *perestroika*.

These Soviet initiatives created a whirlwind within the Soviet Union and in Eastern Europe, that has even been felt in the Asia-Pacific region. In contrast to the US increased emphasis on Europe, Gorbachev's speech in Vladivostok in July 1986 concerning Soviet relations with the Asia-Pacific states, his interview with Indonesia's newspaper, *Merdeka*, concerning arms control and disarmament in Asia, his statement in New Delhi on Asian security, his speech in Krasnoyarsk in September 1988, on naval arms control, and subsequent improvement of Soviet relations with some Asia-Pacific states indicate a new strategy for dealing with the region.⁸ This reminds us somewhat

of the beginning of the Khrushchev era with greater emphasis on the Pacific. Considering the Soviet domestic situation, it can be argued that, for years to come, the Soviet leadership will give priority to its domestic problems, reduce its external involvement, and seek to create a more stable international environment.

Second, relations between the two superpowers were gradually developing to include substantial negotiations on arms control and disarmament, when they were shattered during the last stage of the first Reagan Administration following the deployment of Pershing II and Tomahawk missiles in Europe. During the second term of the Reagan Administration, the US and the Soviet Union resumed separate negotiations on INF, long-range strategic nuclear arms and the space weapons. An important level of achievement has been attained in the American-Soviet arms control and disarmament process by the signing and ratification of the INF treaty and continued negotiation on strategic arms reduction. This period resemble the early 1970s, when the superpowers reached a set of agreements on various important nuclear issues, such as the SALT I and ABM treaties. The question is whether the history of the superpowers relations will repeat itself and thus this period of relaxation will be followed by strained and conflictful relationship in the future.

It is not easy to predict the future. However, the circumstances are different. In the 1950s, the US was the only economic giant of the world; and through the use of its economic resources it was able to help Western Europe and Japan recover at a time when they were considered vulnerable to Soviet (military) threat. Furthermore, economic and military aid to Third World countries caused many of them to adopt a pro-US

⁸See, Bilveer Singh, "The USSR's 'New Thinking' in the Asia Pacific Region: Focus on the Sino-Soviet Detente," *Indonesian Quarterly*, vol. XVII, no. 2 (Second Quarter, 1989), pp. 173-83.

stance. On the other hand, the Soviet Union continued to be a positive model for many Third World countries concerned with egalitarianism.

In the 1980s, however, Western Europe and Japan, which had militarily and politically become staunch US allies, had become economic rivals. At the same time US economic power was experiencing a relative decline. In the 1950s the Soviet Union was not on a par militarily with the US, particularly in terms of weapons technology; the situation has changed in 1980s. The Soviet model of economic development lost its attractiveness, on account of its failure to meet the needs of its people. In the meantime, alternatives to the Soviet and American models have emerged such as strategies pursued particularly by Japan and the new industrialised countries (NICs). So have alternatives for military sources as some states have become important arms suppliers, such as China.

Phases of Superpower Military Presence in Southeast Asia

Any discussion of US and Soviet military presence in Southeast Asia cannot be isolated from their political, economic and security interests in the wider context of the Pacific region. Although their presence in the region had been started at least by the end of the second half of the nineteenth century, such as Commodore Perry's action to open Japan, the war between the US and Spain over the Philippines, and Russo-Japanese war in the beginning of this century, after World War II, it was the US that first established an important military presence in the region, with the conclusion of the 1947 Military Bases Agreement with the

Philippines. Soviet military presence in the region was a much later phenomenon. US military presence in the region has been connected with its containment policy. For the Soviet Union, it has been connected with defence and promotion of its interest vis-à-vis the US and China. For about the past forty years, superpower military presence in the Asia-Pacific region in general, and Southeast Asia in particular has undergone several phases.

The *first phase* was marked by the escalation of US military presence during the two decades between the early 1950s to late 1960s, when the US secured multilateral and bilateral defence and security treaties with some Asia-Pacific states. During this period, the Soviet Union concluded an agreement with China in 1950 in the form of the Treaty of Friendship, Alliance and Mutual Assistance. At about the same time, the Cold War penetrated Southeast Asia, and the outbreak of the Korean War in 1950, marked the beginning of US prolonged military engagement in the Asia-Pacific region. The North Korean attack on South Korea was seen by the US as an unambiguous indication of Communist and Soviet aggressive behaviour. Following the outbreak of the Korean War, the US signed a peace treaty with Japan in 1951, and subsequently signed a security agreement giving it the right to maintain military bases and armed forces in Japan.

As far as Southeast Asia is concerned, in the early 1950s, the US extended military aid to France for its colonial war in Vietnam. In 1954, it sponsored the establishment of the Southeast Asian Treaty Organization (SEATO), the purpose of which was to contain communism and limit the Soviet and Chinese threat to Southeast Asia. The US also established bases in Thailand and South Vietnam. subsequently, conflict escalated in

the region in the early 1960s. By the second half of the 1960s, the US had become deeply involved in the Vietnam War, ultimately deploying more than 500,000 troops to that country. If less directly, the Soviet Union and China were involved in the Vietnam War through their military and logistical aid to (North) Vietnam. By no means, at this phase, was there Soviet military presence outside its own territory as was the case with the US in the region.

The *second phase* was marked by the announcement of the Nixon's Guam Doctrine (1969) and sealed by the emergence of the Cambodian conflict (1979). During this period, the US substantially reduced its military presence in the Pacific area, particularly in Indochina. At the same time, the Soviet Union began its military build-up and presence in the Pacific and the Indian Ocean. During this phase the superpower relationship was marked by detente in Europe, and the US seemed to give more priority to events in Europe. In this period, the US pull-out of Vietnam, closed its bases in Thailand, and reduced its ground forces deployed in its allies' soil. The US also retreated from its preferential policy toward Taiwan as it pursued openings with the People's Republic of China.

On the other hand, relations between the Soviet Union and China soured, leading to Soviet build-up of its Pacific naval forces. In the course of a decade, beginning in late 1960s, the Soviet Union had transformed its Pacific fleet into the largest among the existing Soviet fleets.⁹ A visible Soviet military presence was felt strongly as its naval

task groups patrolled regularly areas between its Pacific port and the Indian Ocean.

At this juncture, the question of credibility of US commitment to its Asian allies began to be raised. Since the enunciation of the Nixon Doctrine, it had become obvious that the US would put more emphasis on burden-sharing and play a less direct role in defence of its Asian Pacific allies, and of Southeast Asians in particular.¹⁰ The failure of the US in the Vietnam War seemed to signal the declining utility of military force in the pursuit of political objectives. It also indicated that the US, with its formidable and superior military capability deployed in Vietnam, could not be counted on to provide an unlimited guarantee of security to its Asian allies. Thus, the anticipation of the ASEAN member states on regional security was to establish a zone of peace, freedom and neutrality (ZOPFAN) in 1971 (while war was still being fought in Vietnam) and subsequently signed the Treaty of Amity and Cooperation in Southeast Asia in 1976.

The *third phase*, existing for about a decade since 1978, was marked by the signing of a treaty of friendship and cooperation between the Soviet Union and Vietnam in October 1978, and the invasion of Cambodia by Vietnam. The Vietnamese-Soviet treaty enabled the Soviet Union to use military

⁹Current data on this regard can be obtained from *Military Balance*, a publication of the International Institute for Strategic Studies, relevant years (London: IISS).

¹⁰It is argued that the pressure for Japan to share the burdens of defence and security responsibility began after the outline of the Nixon Doctrine. See, for example, Muthiah Alagappa, *Japan's Political and Security Role in the Asia-Pacific*, ISIS Pacific Papers (Kuala Lumpur: ISIS, 1988), p. 9. For a discussion on the Nixon Doctrine and the security of Southeast Asia, see Melvin Gurtov, "Security by Proxy: The Nixon Doctrine and Southeast Asia," in *Conflict and Stability in Southeast Asia*, eds., Mark W. Zacher and R. Stephen Milne (Garden City, New York: Anchor Books, 1974), pp. 203-36.

facilities in Vietnam, while the Sino-Soviet conflict remained unsettled. Moreover, when Vietnam invaded Cambodia at the end of 1978, China felt encircled by Soviet-Vietnamese alignment. At this juncture, Sino-Soviet tensions and competitions in Southeast Asia intensified, resulting in prolonged conflict in Cambodia. It can be argued, that the Soviet-Vietnamese alignment was seen by China as part of Soviet strategy in the context of the Sino-Soviet conflict, but by the US as part of superpower competition.

During this period, the US emphasized the threat from increased Soviet naval presence in the Pacific and the Indian Oceans to Southeast Asia. It argued that Soviet bombers operating from Vietnam could then reach every capital of ASEAN states.¹¹ Given the Soviet threat, and despite US statement reaffirming its treaty commitment with Thailand, it was rather surprising that there was no indication of US increased military presence in the region. Most importantly, for Southeast Asia, with the use of the Cam Ranh Bay and Danang for Soviet naval and air forces, both the superpowers were present militarily in the region.

Although not a new phenomenon, it became more obvious during this stage that external threat perceptions among Southeast Asian states had become much more fluid. The US, the Soviet Union and China have historically been viewed as posing threats to Southeast Asians. Moreover, as Japan started increasing its self-defence forces, partly as a result of US pressure on it to share greater responsibility in the defence and security burden, and partly owing to its own assessment of changing environment,¹²

Southeast Asian states began to worry that one day it would again become a military threat.

And the *fourth phase*, which began in 1989, is marked by plans for gradual reduction of military presence in the region by the two superpowers. Recent 10-day visit of the US Secretary of Defence, Dick Cheney, to US allies in the region (Japan, South Korea and the Philippines), revealed that the US would, over the next few years reduce its military personnel deployed to the Pacific region.¹³ This was preceded by a Soviet unilateral statement that it had reduced its forces deployed to Soviet Pacific area and would continue an incremental withdrawal of its forces from Vietnam.¹⁴

Those American and Soviet unilateral and planned withdrawals give an indication that their military presence in the Asia-Pacific region in general and Southeast Asia in particular will continually be reduced in the near future. However, there is no indication that a negotiated disarmament between the US and the Soviet Union will take place soon. In a speech in Krasnoyarsk in September 1988, Gorbachev invited the US to negotiate and reach an agreement on the reduction of naval forces deployed in the Pacific but was turned down by the US. Moreover, the US Secretary of State sent a message saying that American troops would remain in Asia, arguing that if the US were to withdraw its forces from the region, a vacuum would be left that would be soon filled by other forces, among them China and In-

¹³Michael Richardson, "Asia Fears New Tokyo Militarism," *International Herald Tribune*, 20 February 1990, p. 4.

¹⁴Statement by the Soviet Ambassador to the Philippines, Oleg Sokolov, as appeared in *Jakarta Post*, 2 February 1990, p. 12.

¹¹See again note no. 7.

¹²Alagappa, *Japan's Political and Security Role*.

dia.¹⁵ Thus, on the part of the US there is still interests to continue to maintain their military presence in the region.

For Southeast Asian States the superpower detente that has commenced since about the middle of the second half of the 1980s has also been marked by the prospect of decreased superpower military presence in the region. The beginning of the 1990s may bring the Southeast Asian States to witness a new stage of regional international order as the impact of US-Soviet detente has rolled into the region. But here in the Asia-Pacific region the anomalies are still present, and they could complicate the security calculations of the region. The region is still facing unsettled issues in view of smoothly establishing and strengthening *status quo* at the regional level. In other words, the region is still struggling to settle some issues, if dangerous, such as the settlement of the Cambodian conflict, disputes of sovereignty among states over islands in the South China Sea area and Philippine domestic problems.

The last concern signifies that US-Soviet detente would not necessarily mean that the direction of events in the Asia-Pacific region and Southeast Asia would follow suit to what will happen between the US and the Soviet Union. In this connection, one may recall experiences during the 1970s detente when both superpowers continued to compete for influence in many parts of the world (Angola, naval presence in the Indian Ocean, for example) that, in turn, brought to the re-emergence of heightened tensions between the two by the end of 1970s.

The Impact of Superpower Military Presence in Southeast Asia

In the 1980s, although all conflicts have not been resolved, the environment has changed. The primary concern for many countries in Southeast Asia has less to do with ideology and institutions and more to do with building healthy and strong nation-states. They view the international system from a multipolar perspective rather than a limited East-West rivalry. Japan and West European countries have become important, through assistance and investment and trade. While the US remains one of the most important trading partners, its role has been declining in economic terms.

Moreover, changing perceptions among regional countries on circumstances around themselves may influence the nature of their relations with superpowers, and with this, their perceptions of superpower military presence in the region. In other words, their approach to security in the region would be dependent on their respective perceptions of threat under the new circumstances. Indeed, Southeast Asian states face different levels of internal and external threats that need a careful treatment in any discussion of Southeast Asian security because there is always an interconnection, however indirectly, between internal issues and external ones. Recognising such a complexity, this paper will limit itself to mentioning relevant security issues and that of superpower military presence in the region.

With regard to superpower relationship, recent picture of those relationship has been seen by some as indicating a decline in US role in international relations including its

¹⁵“Cheney’s Message in Asia: U.S. Troops are Here to Stay,” *International Herald Tribune*, 24-25 February 1990, front page.

role in the Pacific region.¹⁶ It is argued that after the demise of British hegemonic role following the end of World War II, the US replaced Great Britain's role (Pax Britannica) with its strong military capability and economic strength (Pax Americana) to bear the costs of maintaining a new order of the post-World War II international system. However, entering the 1970s, according to some studies made recently in the field of international relations,¹⁷ the US can no longer sustain such a role in the changing environment of international relations.

In such a change, the capacity of the superpower in sustaining their influence and world presence since the 1980s has clearly shown a continuous political, military and economic decline. Both the US and the Soviet Union, the backbones of East-West conflict, have been experiencing an overstretch of military and political power. Their respective relations with allies have been facing continuous strains while they cannot depend totally on military means in pursuing their objectives. In economic terms, the US has no longer been the most generous power to whom many states may ask assistance and no longer the most dominant economic power of the world. On the other hand, the Soviet Union is less looked upon as a model of economic development by many third world countries. Together with these de-

velopments is the shift of international political and economic activities to the Pacific region.

At present, the Soviet Union seems to be experiencing some improvement in its political and economic relationship with states in the region. The Sino-Soviet rapprochement, Soviet initiatives with Japan, new trade agreements with South Korea and Taiwan, along with official visits by Soviet leaders to Asia-Pacific countries and by leaders from the Asia-Pacific region to the Soviet Union have marked a new phase in Soviet relations with Pacific nations, including Southeast Asians. Whether such development will improve Soviet political influence in the Pacific, particularly in Southeast Asia, remains to be seen.¹⁸

Moreover, there is an increasing awareness on the part of the Southeast Asian states that regional and international issues will continue to become more complex. With regard to great power involvement in the region, several sets of problems could emerge in the near future. First, there is the question of superpower military presence in the region, especially the question of US bases in the Philippines. In the absence of a new agreement, the current base agreement between the US and the Philippines will expire in 1991. As Philippine domestic controversy on the issue continues, the Government of Singapore has offered to let the US use Singapore's facilities. This has created regional concern in light of the Soviet Union promises to withdraw its forces from the region.

¹⁶See, for example, Muthiah Alagappa, "U.S.-ASEAN Security Relations: Challenges and Prospects," *Contemporary Southeast Asia*, vol. 11, no. 1 (June 1989), pp. 1-39; and Mark N. Katz, "The Decline of Soviet Power," *Survival*, vol. XXXII, no. 1 (January-February 1990), pp. 15-28.

¹⁷See, for example, Richard Rosecrane, *The Rise of the Trading State: Commerce and Conquest in the Modern World* (New York: Basic Books, 1986); Paul Kennedy, *The Rise and Fall of the Great Powers* (New York: Random House, 1987).

¹⁸See, for example, Robert C. Horn, "The Evolving Relationship Among the Superpowers: The Implications for Southeast Asia," *Indonesian Quarterly*, vol. XVII, no. 2 (Second Quarter 1989), pp. 126-39.

Furthermore, the prospect of a reduced US military presence in, or withdrawal from, Southeast Asia raises a second set of concerns in the form of speculations about some states that would take advantage and disturb the region. One is the likely emergence of Japan's international role in the political and security fields which is commensurate with its economic preponderance. Japan has continuously increased its military capability in recent years, and the prospect of Japan becoming a regional military power would be fueled by the absence of US military presence in the region. Such a prospect alarms Southeast Asian states. These states, particularly the ASEAN countries, accept Japan's current security role, as long as it is in the framework of burden-sharing with the US. However, as the Soviet Union becomes more involved in its own domestic problems, Japan might perceive less Soviet threat, particularly if its relations with the Soviet Union were to improve. Given the down-turn in Japan's relations with the US, Japan might be driven to take an independent political and security role, and might rather become a complete super-power.

Then there is the possibility that China might become more assertive in playing a role particularly in Southeast and East Asia. With a diminished Soviet threat on its border, and a reduced Soviet presence in the Pacific region, China might feel less obliged to maintain good relations with the US. In that case, it might exert pressure, including the use of force, on some Southeast Asian states, such as Vietnam. China is to a degree a Southeast Asian power, given its territorial claims, proximity, and historical and cultural ties with the region.

India could also become an important military force and play an active role in the

region. Increased Indian military capability, particularly with regard to its naval forces, has become a topic when Asian security is discussed.

However, considering that in the last few decades the experiences in the region have shown the limit of military utility (such as in the Vietnam war, unsuccessful Chinese lesson to Vietnam, and Vietnam's experience in Cambodia), even in the absence of a super-power military presence in the region it might be unlikely that substantial military adventures would be considered by Japan, China or India. As far as the Chinese military threat is concerned, Chinese performance in its border with Vietnam does not support the threat to become reality in the foreseeable future. With regard to Japan, in terms of technology and financial capability Japan may be able to develop vastly military capability beyond the requirement for defending its homeland and territory. But Japan lacks self-sufficiency for overall military capability, and it would be unlikely for Japan at this stage to become aggressive unless it is forced to. Meanwhile, India is clearly increasing its naval and military capability, but its security complex will for many years be determined in South Asia.

A third set of problems arises from intra-Southeast Asian relations, constituting additional security concerns. The most important is that there are differing approaches to regional order and security. Although the zone of peace, freedom and neutrality (ZOP-FAN) as a concept of regional order and security has gained a certain degree of acceptance in most Southeast Asian states, it is still in the process of taking shape.

To simplify, Southeast Asian security complex can be divided into three clusters: ASEAN, Indochina and Myanmar. The

three clusters are busily attempting to attain their respective goals. Efforts to settle the Cambodian problem are instructive in this regard. ASEAN member countries used to regard that the Cambodian problem, that affects ASEAN relations with the Indochinese states, as the most serious hindrance to the attainment of ZOPFAN while Myanmar did not show interest in the settlement of the problem. As the solution of the problem may be attainable, as indicated by recent events and developments (meetings at various levels, Sino-Soviet detente, reduced Chinese support of Khmer Rouge, Sino-Vietnamese rapprochement, new Thai approach on Indochina and Cambodia problem), it is not unreasonable to expect that the terms of the settlement will help create new conditions, for better or worse, in the future relations among states in the region.

Second, there are bilateral and multi-lateral disputes in Southeast Asia over land and maritime territorial jurisdictions. The most disturbing for the future of Southeast Asia would be the disputes involving China, Taiwan, Vietnam, Malaysia and the Philippines concerning jurisdiction in the South China Sea. With regard to bilateral disputes, there are also disputes over boundaries between some countries in the region. The ASEAN countries adopted the Treaty of Amity and Cooperation to emphasise their adherence to the principle of peaceful means of conflict resolution. The other Southeast Asian states, however, have not signed the treaty, leaving open the threat of external intervention.

Conclusion

It is probable that the superpower military presence in Asia-Pacific and South-

east Asia will diminish significantly as long as the US and the Soviet Union pursue purely defensive postures. While it might be reasonable to believe that the superpower relationship will also become more manageable, at the same time the US and the Soviet Union still have to adjust their approaches to the international system beyond the confinement of a bipolar framework. This is a difficult task given the forty years of bipolarity and hostility, and the continued presence of persons in the US, the Soviet Union and elsewhere who in many ways continue to see the international system through bipolar lenses.

For the Asia-Pacific region it would be more likely than not that the multipolar structure would dictate the nature of relationship, and therefore the nature of problems. Such structure may have future implication for Southeast Asia as the dynamics of perceptions of threat in the region continue to shape. Superpower military conflicts seem less likely to develop in the future, and this will release Southeast Asian states from a superpower, bipolar framework of thinking. But new challenges beyond the confinement of the superpower domain may emerge that will complicate the security circumstances of the region. Already feared are the complexity of economic issues in inter-states relations and its impact on the security of the region and the emergent perceptions on military threat coming from Asian major powers that might create security consequences.

With regard to the question of continued US military commitment to Southeast Asia, it should not be surprising to many people as the issue has been there for decades. The re-emergence of the issue recently while the Soviet Union shows a decline in its power is now puzzling. The fear of emerging new

sources of military threat to the region, perhaps apart from its psychological reasons, seems to be less-founded. But what will become a trend in the future is likely a gradual reduction of military presence of the superpowers in Asia-Pacific and Southeast Asia.

The problem for the Southeast Asian states at this point is how to secure and strengthen regional order, and it can be ex-

pected to dominate the agenda for the foreseeable future, particularly in the post-Cambodia era. Whether this will be confined to ZOPFAN or be linked to some broader regional arrangement, remains uncertain. What is certain is that military force and deployment are made by states in the prospect or anticipation of war. Recent development, however, suggests that the prospect of war in the region is rather remote. Thus efforts should be made to establish regional order with less military content.

The USSR in Asia-Pacific: An ASEAN View

Jusuf WANANDI

Introduction

ASEAN leaders generally have changed their stance in dealing with the Soviet Union. Earlier, the Soviet Union was seen as a threat and even as the main threat to the region's security. Now, five years after Gorbachev launched his glasnost and perestroika, and as a result of the gradual reduction of Soviet military presence in Southeast Asia -- i.e. the operation of its Pacific fleet and military presence in Cam Ranh and Danang -- the ASEAN countries no longer perceive the Soviet Union as a major threat to the region. There even is a greater desire to see the Soviet Union play a constructive role in the economic and political development of the Asia-Pacific region.

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All ASEAN countries have increased their relations with the Soviet Union as shown by the more frequent high-level visits, increased trade and other economic relations, as well as in dialogues on security issues, such as on Cambodia. Earlier, restrictions were imposed on the free movements of crews of Soviet liners, the operation of Aeroflot, or visits by Soviet officials or businessmen. Today, the presence of the Soviet Union is seen as something normal and is accepted in the same way as the other countries' presence.

On the one hand the US has enjoyed a reservoir of good will in the Asia-Pacific region because its presence has contributed to peace and stability, and in turn economic development and growth, in the region.¹ This reservoir of good will appear to have

¹Jusuf Wanandi, "Security in South East Asia in 1990s: US-ASEAN Relations, An Indonesian Perspective." Paper presented at the symposium on "Evolving Perspectives for Pacific Basin Strategies in the 1990s and Beyond," Honolulu, Hawaii, 1-3 March 1989, sponsored by National Defence University, Washington, D.C.

rapidly diminished as the role and importance of the US in the region continue to erode in the perceptions and public opinion of various countries in the region.

The past years have not seen any major US diplomatic initiatives in the region. It is also being felt today that US attention is directed more towards Europe today and in the future, while its policies towards Asia-Pacific are put on hold. US economic presence in the region has also declined during the past years, both in the form of private investments and public resources (ODA). All that the region has experienced are an increase in its unilateral actions in trade, under the so-called "super 301". With the start of the withdrawal of its troops from the Western Pacific, questions have been raised as to how long it will be before the US loses its interests and advantages in the region. It is also a cause for an even greater concern that US-Japan relations, which is the most important relationship in the region, have been allowed to deteriorate and become full of tensions.

With regard to Southeast Asia, the US has been giving diplomatic support to ASEAN's attempts to resolve the Indochina conflict, but beyond this it has not developed a clear idea of how to structure its relationship with the whole of Southeast Asia, including Indochina. This appears to result from its deep-seated emotions towards Vietnam. Only in the last month there seems to be a change of policy because of pressures from Congress, especially the Senate and public opinion.² Disagreements between the Congress and the Administration on how the

US should react to the Tiananmen affair only gave an unclear picture of how US policy towards China will develop in the future.³ It is also important for the US to formulate a clear-cut policy on its military bases in the Philippines which takes into consideration the totality of the issues involved. This would imply that due consideration be given to new ideas as well as to the necessity for adjustments. It appears to be inappropriate for the US to maintain its stance of threatening to withdraw if a status quo cannot be accepted by the Philippines.⁴

Against this background, the Soviet Union appears so much more active and resourceful diplomatically. Its many initiatives, although some are not significant substantively, have had considerable influence upon the region's agenda. Of these initiatives, some are worth mentioning; and they include: the reduction of armaments, the reduction of its military presence in Cam Ranh, the rapprochement with South Korea, the dialogue with Japan on the Northern territories, the efforts to help resolve the Cambodian problem, the proposals on arms control and disarmament, participation in the dynamic Pacific economy, and the reduction of tensions with China.

In addition, Gorbachev's policies towards Eastern Europe and in the Soviet

³Stephen Solarz, Congressman, quoted in *South China Morning Post* (Hongkong), 26 May 1990, p. 1.

⁴Admiral Huntington Hardisty, "US Admiral is Optimistic a New Pact on Bases Will Be Signed," quoted in *Straits Times*, 22 May 1990, p. 1; Raul Manglapus, Foreign Minister of the Republic of the Philippines, "Philippines Must Learn to Treat US as an Equal," quoted in *Straits Times*, 30 May 1990, p. 12; and Richard Armitage, US Chief Negotiator on the RP bases, "Bases Talks: All Set for Tough Round," quoted in *Straits Times*, 21 May 1990, p. 11.

²Jusuf Wanandi, "The Cambodian Conflict," *Special Report*, International Institute for Global Peace, January 1990; Jakarta Post editorial, "Foot-dragging in Beijing," *Jakarta Post*, 31 March 1990.

Union itself are widely seen as very drastic and bold measures that reflect statesmanship, courage and imagination. In contrast, the US responses to the developments in Eastern Europe at the beginning are seen as simply being driven by its own euphoria and are focused on the forces of democracy and capitalism that led to those dramatic changes, without giving sufficient attention to Europe's "real-politik." This attitude could be dangerous for Europe's peace and stability and luckily has been changed for a much better appreciation of the changes there, especially in relation to a united Germany and the need to establish in the future a new security structure while maintaining a reformed NATO. Moreover, the US has again portrayed itself as "the ugly American" in the Panaman case by imposing its own will on another state and nation through military means.⁵

It should be noted that not all US policies and actions are being criticised, but they are felt to be very ad hoc-ish, unclear and often conflicting. On the one hand, they are idealistic and full of morals, but on the other hand they are cynical and short-term in their orientation. Thus, minimally they are confusing and maximally they are not given support.

Examples of sound policies on the US side include the serious efforts to resolve US-Japan bilateral trade problems and the successful outcome of negotiations known as the Structural Impediment Initiative (SII), as well as the appointment of Richard Armitage as the chief negotiator for the negotiations with the Philippines on the bases. Equally important is the US support of efforts to pro-

mote Pacific regional economic cooperation, through the inter-governmental APEC (Asia Pacific Economic Cooperation) as well as the non-governmental PECC (Pacific Economic Cooperation Conference). It is perhaps most unfortunate that the current erosion of appreciation and understanding of the US on the part of its friends and allies is accompanied by a change in US public opinion towards an attitude of neo-isolationist -- or unilateralist -- that tends to reject multilateral solutions which require lengthy negotiations, patience and compromises.⁶

President Bush, who is considered to be a truly internationalist president that the US has since Nixon, has resorted much less to unilateralist actions than his predecessors. However, as mentioned earlier, the present US Administration has not given sufficient attention to Asia except in a crisis situation: towards China in relation to the Tienanmen tragedy, and towards Japan because of the severe trade frictions. It is hoped that negotiations on the Philippine bases which began in May 1990 will be given sufficient attention to. In addition, it has seen a change in the attitude of the Bush Administration towards the Cambodian problem so that together with the international community it can prevent the return of the genocidal Khmer Rouge. That, and the SII agreement with Japan, hopefully, are the start again for future leadership and enlightened policies of the US in the region.

To date, views of Southeast Asia on US policies towards the region have been shadowed by some concerns of a US withdrawal from the region, not so much because the region is perceived to be unimportant to

⁵"Invasi Amerika Terhadap Panama Sulit Dibenarkan," *Kompas*, 27 December 1989.

⁶Charles William Margues, "Coping with the '90s," *Foreign Policy*, no. 74 (Spring 1989).

the US but because the US has not been able to formulate a comprehensive policy based on its overall national interests, which is supported by the Congress and public opinion. The policies have been generally reactive in nature, and are often influenced by emotions as exemplified by the policies towards Japan. Such policies are seen by many in the region as a major cause of instability in the region.

For the time being, US-Japan trade frictions have been successfully overcome, but so long as the bilateral trade deficit remains large, the conflict could erupt again in the future. The US could also react in an emotional way if in the negotiations on the Philippine bases, the US will be confronted with strong nationalist sentiments on the Philippine side or an excessive demand for compensation. Similarly, a deadlock can result if the US is not sufficiently flexible in meeting the Philippine's demands. All this could lead to a decision in the Congress to abruptly withdraw US military presence from Southeast Asia.⁷

The above developments need to be seen in the context of changes in the global environment from bipolarity to multipolarity in all fields, excluding strategic arms. The role and authority of the two superpowers have eroded in the eyes of many countries. The US still has a greater comparative attractiveness in the region than the Soviet Union, because of its broader relations, involving the entire spectrum of security, economic, and cultural relations. In view of its reduced

military and economic presence in the region, the US needs to promote its role in the political and cultural fields. Cultural relations will play an important role because the US clearly has many advantages in this field. However, such relationship should not turn into a crusade which imposes Western values to other nations. Also, the US should maintain the advantages it has in higher education and research. In the economic field, the US needs to undertake a long overdue restructuring so that it can increase its competitiveness and thus enhance its participation in the region. In the military field, the US should negotiate with its allies and friends on the reduction of its presence in the region and the formulation of an appropriate burden sharing scheme.⁸ It is important for the US to be clear about the significance of the Asia-Pacific region to its national interest. Otherwise, its policy towards the region will always be in a flux and be determined solely by internal pressures and changes in the regional and international environments.

To outside observers it is clear that US interests in the various fields are so intertwined in the Asia-Pacific region so that rationally speaking there are no reasons why the US should want to withdraw from this dynamic region. However, in politics one cannot disregard irrational behaviour. US allies and friends that want the US to maintain its presence in the region also need to adjust to changing circumstances and will have to share its burden. A comprehensive strategy for the region can be based on such

⁷Lee Kuan Yew, "Singapore Leader Warns on Power Shift in Asia," *Straits Times*, 25 May 1990, p. 8 and *International Herald Tribune*, 28 May 1990, p. 2. See also, "Interview/Lee Kuan Yew: Pragmatic Politics," *Far Eastern Economic Review*, 31 May 1990, pp. 12-13.

⁸Jusuf Wanandi, "USA-ASEAN Relations"; Paul Wolfowitz, *Under Secretary of Defence for Policy Statement before the Senate Armed Services Committee*, 19 April 1990; Department of Defence, *A Strategic Framework for the Asia Pacific Rim: Looking Toward the 21st Century*.

mutual understanding, which could be promoted through bilateral and regional dialogues or institutions, such as APEC and PECC.

Soviet-US Relations

Soviet proposals and initiatives in the area of arms control and disarmaments are not seen to be adequate. They only serve the Soviets' own interests and are meant to reduce the US influence in the region. However, any time in the future Gorbachev might launch another initiative which is more substantial. This could quickly alter the situation in the region. Therefore, the US, together with its allies and friends, should work out a plan towards CBM (Confidence-Building Measures) and arms reduction which favours US positions. This plan should attempt to overcome the asymmetry between the Soviet strategy which is continental in orientation and the US strategy which is maritime based.

Even in the case of naval arms control, the US need to prepare CBM's and arms control proposals that take into account likely budgetary constraints and Congressional pressures in the future and with due consideration to the asymmetry in the US naval strategy and the USSR continental strategy.⁹ It is important that the US undertake regular consultations with its allies and friends on the above issues since unilateral actions would only cast doubt and anxieties about US commitments in the region. The reduction of US naval presence in the region

should also be achieved through a negotiated settlement with the Soviet Union. In the process, US allies and friends should be fully briefed so that the development can be understood and supported. In this context, consideration should be given to possible China's and Japan's participation at a certain stage in the negotiations.

Soviet-Japan Relations

Soviet-Japan relations will likely be a priority in Gorbachev's agenda in the years to come, following his planned visit to Japan in 1991. There is no doubt that Japan's strategic and economic roles in the region are of great importance to the USSR. In strategic terms, Japan's position as the US main ally is vital to America's forward defence strategy which the Soviet Union needs to be concerned with. Economically, Japan will be the most important partner for the Soviet Union when it participates more fully in the economic interactions in the Asia-Pacific region.

It is likely that in view of the above strategic and economic considerations Gorbachev will make quite drastic proposals on the Northern Territories when he visits Japan next year. This issue has been the single most important obstacle to the improvement of relations between the two countries. Thus far, resolving this issue has been more difficult for the USSR than overcoming the border problems with China. However, it is not difficult to foresee Gorbachev's willingness to compromise on the Northern islands given his recent policies on Eastern Europe. In this respect, the Soviet Union will certainly ask for a quid pro quo in the strategic realm and in the economic field.

⁹Bunning Garret and Bonnie Glaser, "US-Soviet Military Competition in North East Asia: The Case for Confidence-Building Measures." Paper presented at the symposium on "Evolving Perspectives for Pacific Basin Strategies in the 1990s and Beyond," Honolulu, Hawaii, 1-3 March 1989.

The Japanese public opinion will be dramatically affected by such development. Meanwhile, continued tensions between Japan and the US in trade and investment could be further exploited by the Soviet Union. It is understood, that despite the rhetorics, the Japanese leadership is ready to come up with some compromises too.¹⁰

Soviet-China Relations

Although normalisation of relations has been completed with Gorbachev's visit to Beijing in May 1989, recent developments in Eastern Europe and in the Soviet Union itself have raised renewed suspicions and anxieties on the part of China. Those developments have political implications inside China and have caused the Chinese leaders to take a much harder attitude towards internal political development. However, the normalisation has brought about beneficial effects to both sides in the form of troops reductions along the border as well as increased economic relations between border regions.

Perhaps, the most important result is the more pronounced equidistance in the triangular relations between China, the US, and the USSR. This should not obscure the fact that China remains suspicious of its large neighbour, the Soviet Union, and therefore, needs to maintain good relations with the US. That is also true for her economic development. It also is not in the interest of the US to see a worsening of its relations with China. However, China also should appreciate the fact that it must adhere to certain norms, including human

¹⁰Jusuf Wanandi, "Japan's International and Regional Role: An Indonesian Perception," *Indonesian Quarterly*, vol. XVI, no. 3, pp. 329-392.

rights principles, if it wants to maintain good relations in the region and internationally. In this regard, the open disagreements between the US Congress and the Administration on relations with China are detrimental to the US, and efforts should be increased to achieve a more bi-partisan policy towards China.¹¹

Soviet-South Korea Relations

With the development of close economic relations between the Soviet Union and South Korea the prospects are enhanced for a cross recognition of the two Koreas by the four major powers, the US, the USSR, China and Japan and establishing CBM's between the two Koreas. It also diminishes the possibility of a Soviet support for an invasion by North Korea into South Korea. The fact that the Soviets continue to supply North Korea with state-of-art weapons suggests that the Korean Peninsula remains potentially unstable. And the probability of a vacuum of power if Kim Il-Sung is going to pass away should not be discarded.

This further suggests that the presence of US troops is still needed until changes occur as a result of generational change in North Korea's leadership and when the South Korean armed forces has acquired a capability for the self defence of the country. A planned reduction of US troops should be gradual and should involve close consultations with the South Korean authorities.¹² The US, on its part, needs to give due atten-

¹¹Stephen Solarz, in *South China Morning Post*, 26 May 1990; see also "Bush Set to Renew China's Trade Status," *International Herald Tribune*, 23 May 1990, pp. 1-2.

¹²See Paul Wolfowitz, *Statement*, 19 April 1990; also Department of Defence, *Strategic Framework*.

tion to the growing anti-American attitude of the South Korean public especially the younger generation, which result from higher emotions of nationalism and the steady pressures and unilateral actions in trade of the US which negatively affect the South Korean economy.

Soviet-ASEAN Relations

The Soviet Union has made a series of attempts to improve its relations with ASEAN. Strategically speaking, this policy is to enable the USSR to play a greater role in Southeast Asia and in the broader Asia-Pacific region. Perhaps, it is also meant to reduce the US role and to balance the Chinese role in Southeast Asia. The Soviet Union has shown a much greater readiness to compromise on the Cambodian problem than do the Chinese.

Attempts to reduce America's influence in the region has been directed mainly at the Philippines and the bases there. The Soviet Union has offered to dismantle its facilities in Vietnam in conjunction with a discontinuation of the US bases in the Philippines after 1991. Part of the Soviet navy and air force has been withdrawn from Cam Ranh and Danang in an effort to make the offer more credible, but the worth of the proposal itself remains much in doubt.

Efforts to increase economic relations with the ASEAN countries have been pursued for some years now, but as yet they have not brought significant results. Politically, the USSR has been able to alleviate the perceptions in ASEAN of the Soviet threat and more normal relations are developing.¹³ The Soviet Union has given sup-

port to ASEAN's proposal of a NWFZ (Nuclear Weapons Free Zone) for Southeast Asia. This has been a plus point in the eyes of ASEAN although its motivations may be primarily to limit the room for action of US maritime strategy.

Of all these efforts, it appears that the crucial issue for the USSR still is the US bases in the Philippines. In this regard, the US should give careful consideration to balancing of its future strategic interest in the Western Pacific, the region's political stability, and Philippine national interest. These above factors may not always be converging. The situation could be complicated if nationalist sentiments and emotions dictate the Philippines decision to abrogate the bases agreement. It is likely that financial assistance and investments to the Philippines will be less forthcoming when it no longer host the US bases. There are other economic costs to the Philippines of not extending the agreement, such as employment and rent.

The problem is that in history the bases have symbolised US neo-colonialism and therefore, Filipino national identity cannot develop so long as the bases remain in the Philippines in its present form. There is need for a fundamental change in the nature of the bases. For a duration of the next 10 years, the bases could be put under the joint control of and for the use of the US and Philippines armed forces. Other alternatives involve the return of a large area, Clark for instance, to the Philippine government which can still be used on the basis of direct payments for the service it provides to US fighters which have a fire and bombing range. Subic can be maintained if it is used for the repair of American and Philippine ships or ships of other US allies so long as its security can be safeguarded.¹⁴

¹³Abu Hassan Omar, Malaysian Foreign Minister, "Malaysia Backs Closer Soviet Ties," *South China Morning Post*, 5 May 1990, p. 10.

¹⁴Hardisty, "US Admiral," p. 4.

The issue of compensation for the Philippines also needs to be considered within a comprehensive framework to include the multilateral MAI (Mutual Assistance Initiative). The extension of the bases agreement does not seem likely without fundamental changes in the nature of the agreement. Prior to the latest attempted coup in late 1989, President Aquino appears to be more in favour of extending the agreement with some modifications, such as the holding of a referendum prior to a deliberation by the Senate. This has been supported by the parliament. However, because of the involvement of US airplanes in the effort to combat the rebels, the prospect for a new agreement becomes more dicey.

In the preliminary negotiations between the US and the Philippines in May 1990 the Philippines declared the termination of the old agreement when it ends in September 1991. It also demanded from the US the payment of alleged arrears amounting to US\$220 million. The Philippine side seems to have taken this position to express its nationalist aspirations, and having done so it feels more comfortable to enter into the real negotiations in June or July 1990.

The US side reacted strongly initially but at the end accepted that the declaration to terminate the agreement was a formality which was necessary for the Aquino government to continue with the negotiations. It should be borne in mind that the political elite in the Philippines generally opposes the continuation of the use of the bases by the US.¹⁵ The US has also agreed to pay the above compensation in the form of complete

equipments for a military hospital and military equipments which were previously deployed in Europe.

With those compromises, the prospects for the negotiations become brighter. They are likely to re-examine the fundamental issues relating to the duration of the agreement, the size of the area of the bases, the authority and sovereignty over the bases, joint uses and multi-purpose uses of the bases, and the compensation which is linked to the MAI. A satisfactory resolution of these issues will result in a successful negotiations. It is possible that the Philippines' Senate continues to oppose it. However, the Aquino government could always call for a referendum to overrule the Senate's decision.

At the end, it should be in the interest of both the US and stability and peace in the Asia Pacific region. This should also be in the interest of all countries in the region, including ASEAN. In fact, in its own way each ASEAN country has given its support to a successful conclusion of the negotiations. Singapore, Brunei and Thailand have made their support in a more direct way than Malaysia and Indonesia. Although the bases are to be considered as temporary in nature, the ASEAN countries essentially accept them.

It was an important decision on the US side to have appointed a special chief negotiator for this matter and not assigned the task to the US Ambassador in the Philippines. This could be seen as a clear determination on the part of the US that US-Philippine relations should not be dominated by the bases issue alone. In addition, Armitage has a good reputation among Southeast Asian leaders and is trusted by the

¹⁵ "Armitage Says Bluntly: We'll Go if You Want Us Go," *Straits Times*, 15 May 1990, p. 1 and "Bush Gets Tough on Bases Issues," *Straits Times*, 18 May 1990, p. 1.

US Navy and the Pentagon, which have a direct interest in the bases.¹⁶

The strategic importance of the bases is to support the US presence and bases in Northeast Asia, particularly Japan in confronting the Soviet Union in the Okhotsk sea, to which the facilities in Subic has provided the Seventh Fleet with good and economical services. The bases are also of importance to the security of Southeast Asia's SLOC (Sea Lanes of Communication). Furthermore they contribute to US projection capabilities in the Indian Ocean and the Persian Gulf. In the future, the US could maintain a strategic balance by giving greater emphasis to its bases in Japan and South Korea. This is related to technological advances and the decrease of tensions between the two superpowers. The critical developments in the Gulf during August 1990 showed that viewed from military contingencies the bases are still of utmost importance. It also shows that the end of the Cold War does not mean the end of conflicts in the future.

Perhaps the political utility of the bases is of greater importance to the countries in Southeast Asia. The bases symbolise the presence of the US in the region, which in turn provides some deterrence to interventions by other outside powers. This has allowed the countries in the region, ASEAN in particular, to concentrate their efforts on economic development. The facilities that Singapore has offered the US could well meet this political objective if indeed the bases in the Philippines will be phased out.

Thus far, the US has not given support to ASEAN's proposed NWFZ because it could constrain to its strategic deterrence which is

based on a sea-based second strike capability. However, if the START (Strategic Arms Reduction Talks) and the CFE (Conventional Forces in Europe) negotiations are successful and a sufficiently high degree of confidence has been attained on the part of both superpowers, the US could be ready to enter into a negotiations on naval forces. The NWFZ for Southeast Asia could become one of its elements.

The other problem which is of importance to Southeast Asia's future is the peaceful solution of the Cambodian problem. It is not in ASEAN's interest that a division emerges in Southeast Asia between an economically dynamic and successful ASEAN and a poor and stagnant Indochina. Therefore, cooperation between ASEAN and the Indochinese countries is an imperative. On the Cambodian problem itself, the various efforts made to resolve the conflict have shown that the ultimate choice is very limited, namely of supporting either the Khmer Rouge or Hun Sen. If a political settlement cannot be reached before the end of 1990, ASEAN will no longer support the resistance which means a *de facto* support to Hun Sen. The change of policy on the US side has brought a new element in the equation, which make it easier to find an alternative to the powersharing of the four factions which is still hampering a political solution.

US future policies towards Southeast Asia as a whole still needs a clearly defined perspective. Until today, its policy towards the region is still influenced by the outcome of the Vietnam war. This overlooks the strategic importance of the region, politically, geographically, demographically, and economically. But with the dialogue established with Vietnam, a more coherent policy towards the region can be expected, if

¹⁶Hardisty, "US Admiral"; Manglapus, "Philippines Must Learn"; and Armitage, "Bases Talks," p. 4; Lee Kuan Yew, "Singapore Leader," p. 7; and Jusuf Wanandi, "US-ASEAN Relations," p. 1.

a Cambodian solution can be accelerated through the dialogue.

Soviet-South Pacific Relations

The Soviet Union has tried very hard to compete with the US for influence in the South Pacific region, but the results have not been significant. It has supported the Treaty of Rarotonga on the South Pacific Nuclear Free Zone (SPNFZ) and the decolonisation of New Caledonia. Nonetheless, it should be noted that the current, second generation of leaders in the Pacific island nations is less conservative than the predecessors and therefore, is more open to developing relations with countries with which there are no traditional ties, including the Soviet Union. This is partly motivated by the need for diversifying relations, development of relations with the Soviet Union should be seen as something that is quite normal.¹⁷

Economic relations between the Soviet Union and the Pacific island nations remain insignificant beyond its fisheries agreement with Vanuatu. Nonetheless, in view of the smallness of the economies concerned even small improvements in relations can have some effect on those economies. It is unlikely that the USSR would enhance its position in this region at the cost of the Western powers because of the latter's strong traditional links and influences.¹⁸

¹⁷Jusuf Wanandi, "ASEAN Relations with South Pacific Island Nations," *Special Report 1989* (USA, The South Pacific: Political, Economic and Military Trends, published by Pacific Forum, CSIS and Institute for Foreign Policy Analysis, Inc., Brassey's Inc., 1989).

¹⁸David Hegarty, "South Pacific Security Issues: An Australian Perspective," *Working Paper*, No. 147 (Canberra: The Strategic and Defence Studies Centre, December 1987).

For the US, a new framework replacing ANZUS needs to be created so that its relations with New Zealand can be improved. Similarly, the US needs to reconsider its (non)-support for the Treaty of Rarotonga in view of the possibility of an agreement among the superpowers to reduce their nuclear arsenal.¹⁹

Some Proposals

Soviet relations with the countries in Asia-Pacific have seen encouraging developments in the past few years. However, the nature of the relations have not altered significantly, except in the case of China. This may be largely due to the shift in priority to domestic developments, Eastern Europe as well as Soviet's limited economic capabilities. But this situation can change dramatically when Gorbachev decides to give greater attention to the region, especially in connection with its planned visit to Japan in 1991. The US and its allies need to formulate a new strategy for the region that sufficiently respond to and accommodate Soviet's changing policies. A strategy based on containment as resulting from the cold era is definitely no longer adequate.

The new strategy should also provide a basis for the formulation of a US role in the region so that a positive balance can be maintained, which means that the region's peace, stability and development can be assured, that regional conflicts can be prevented, that there will be no arms race, particularly the proliferation of chemical and nuclear weapons, and that international problems such as terrorism and drugs can be

¹⁹Jusuf Wanandi, "ASEAN Relations with South Pacific," p. 1.

jointly overcome. In other words, the strategy should strengthen the efforts by the US and its friends and allies in the region to promote regional cooperation that could maintain the dynamism of the Asia-Pacific region even into the 21st century. Dialogues and consultations between the US and its allies and friend in the region should become a regular feature in the region's agenda. The US military presence in the region will also have to undergo some significant adjustments. These should be undertaken gradually and in a transparent fashion. It also should involve a burden sharing by the countries in the region.

The time has passed in which the US could by itself determine the developments of things. In the report of Secretary Cheney to the Senate Armed Services Committee, presented by Undersecretary Wolfowitz, on 19 April 1990, stress was given to the need for consultations with US' allies and friends. It is important that such consultations indeed be held regularly and continuously. Only through such consultation could the US expect a greater burden-sharing by the countries in the region.

US economic presence in the region remains of great importance because its influence will increasingly depend upon such presence. The US is currently facing a number of challenges and problems internally, such as economic restructuring and improvements in its educational system. However severe these problems are, the US cannot afford to turn its attention totally inward.

In the final analysis, one should not underestimate the US ability to renew itself. Its political system appears to be in such a disarray so that confused outsiders are all but confident about the US capability to

reverse the perceived decline. In fact, the psychology of decline originated from within the US itself during the 1988 election campaign. However, if confronted with matters of life and death, as experienced during the civil war and the World War II, the US will be able to overcome its difficulties.

Economic relations will be pre-eminent in the Asia-Pacific region. The Soviet Union should take an active part in the economic affairs and development of the region. This would allow the Soviet Union to reduce the concentration of its presence in the military field. An informal cooperation mechanism, such as the PECC, provides a vehicle for a greater Soviet involvement in the region.²⁰

In addition to the above, PECC as well as APEC are important for strategic reasons as well. In particular, they can provide a regional framework in which bilateral economic problems and tensions between the US and Japan can be dealt with. They also could interest the US to maintain its involvement in the region. Furthermore, they could become a basis for the development of a regional response to Europe, should it turn inward. To ASEAN, these regional arrangements are valuable because they provide a framework for the development of constructive relations with the industrial countries.²¹

ASEAN future agenda includes formulations of a strategy to complement US military presence which is declining. This may

²⁰Jusuf Wanandi, "The Role of PECC (Pacific Economic Cooperation Conference) in the 1990s and Pacific Institutions." *Indonesian Quarterly*, vol. XVIII, no. 1 (first quarter 1990), pp. 39-43.

²¹Jusuf Wanandi, "Asia Pacific Economic Cooperation: Ideas About Substance." Paper presented at the Pacific Forum, CSIS Conference, Waikoloa, Hawaii, February 1990.

involve greater ASEAN cooperation in the realm of security and defence. Until this comes about, prevailing bilateral or trilateral arrangements should be strengthened. ASEAN should also promote military cooperation with the South Pacific region especially Australia, New Zealand and PNG. In addition, ASEAN should begin to give structure to a cooperative relationship with the Indochinese countries.

ASEAN must repeatedly stress to the US and Japan the vital importance of their bilateral relationship and their alliance to the stability and prosperity of the region. This alliance can work to counteract a possible decline of US capabilities in the future, particularly in the Northeast Asian region. It is for this reason that ASEAN should also establish a mechanism for consultation on strategic issues, both at the official and unofficial levels.

Finally, ASEAN should pose the question -- however academic this may sound -- of how it should respond to a possible total US withdrawal from the region in the future. This may result from strong pressures from the US public opinion to get out of Asia.

Equally interesting is the question of what responses ASEAN should formulate if the US no longer possess any advantage or superiority vis-à-vis the USSR in the region as a result of arms negotiations.

To ASEAN, the response to those possible scenarios is clearly found in, first and foremost, the further strengthening of national and regional resilience. In due course the ASEAN countries may introduce a regional defence cooperation scheme. This could be complemented by military cooperation with countries in the South Pacific, namely Australia, New Zealand and PNG. On the basis of the above they should structure their relations with the major powers in a balanced fashion.

In this regard, ASEAN -- together with Australia and New Zealand -- should have the capability to safeguard the SLOCs in the Southeast Asian region. To be able to do so, ASEAN should seek some cooperation with Japan in the form of aid in military hardware as well as transfer of military technology. This is definitely not an urgent item in ASEAN's agenda today. But the 21st century is not too far into the future.

Changes in the Soviet Union and Eastern Europe: A View from Indonesia

J. Soedjati DJIWANDONO

DEVELOPMENTS in the Soviet Union and the rest of the Warsaw Pact member countries of Eastern Europe over the past years have been described in a number of ways: as the year of freedom in Eastern Europe; the dismantling of the communist monopoly on power; the fall of the dominoes; the death of communism; the disintegration of the Soviet empire; the end of an era in Europe and thus the beginning of a new one or the remaking of Europe; the end of the Cold War and thus the beginning of a new world order.¹

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¹See, among others, Renee de Nevers, "The Soviet Union and Eastern Europe: The End of an Era", *Adelphi Papers* 249 (London: Brassy's for the IISS, March 1990); Michael Howard, "The Remaking of Europe", *Survival* (March/April 1990), pp. 99-107; Seweryn Bialer, "The Passing of the Soviet Order?", *ibid.*, pp. 107-121; Mark N. Katz, "The Decline of Soviet Power", *Survival* (January/February 1990), pp. 15-29; and Zbigniew Brzezinski, *The Grand Failure: The Birth and Death of Communism in the Twentieth Century* (New York: Scribner's Sons, 1989).

What follows is an attempt to assess the possible significance and implications of those developments for the countries of Southeast Asia particularly ASEAN, individually as well as collectively. As further developments still continue to unfold in the member countries of the Warsaw Pact, however, and while such developments do not seem to have completely rubbed off on the rest of the communist world, particularly the Asian communist countries (except Mongolia), Albania, and Yugoslavia in Europe, and Cuba in Latin America, any conclusions that may be drawn cannot at this stage but be tentative in nature.

The Nature of Change

For the purpose of analysis, a difference may be made between the internal and external dimensions of change in the communist countries, including the Soviet Union and the rest of the Warsaw Pact member countries of Eastern Europe. Indeed, the two dimensions of change cannot be separated one from the other in that the external

dimension of change is primarily a reflection of, and necessitated or dictated by, changes of internal nature. Yet the significance and implications of the two dimensions of change for other countries may be different not only in nature and degree but possibly in timing as well. That is to say, changes of internal nature in a given communist country may not have much significance or important implications beyond its national borders until such changes affect its foreign policy or are manifested in a shift in its foreign policy. This may be true especially with a major communist country like the Soviet Union. At the same time, it may be assumed that the two dimensions of change may not necessarily have the same significance and implications.

Needless to say, of greater importance is the internal dimension of change, for as mentioned before, the external dimension of change is but a reflection or manifestation of, and necessitated or dictated by the internal one. The significance and implications of changes in the Soviet Union and the rest of the Warsaw Pact member countries in Eastern Europe of either dimension for other countries, therefore, will be determined to a large extent by the way the other countries, including those of Southeast Asia, assess the nature of the internal changes.

In broad terms, two seemingly fundamentally different and conflicting assessment on the nature of internal changes in the Soviet Union and the other countries of the Warsaw Pact in Eastern Europe may be identified. On the one extreme end of the spectrum is the view that changes in the Soviet Union and the rest of the Warsaw Pact member countries in Eastern Europe have meant the death of communism, or at least the beginning of its demise. The process

of reform in those countries has resulted in the dismantlement of the communist party's monopoly on power. Thus communism has been discredited. If not necessarily openly admitted, underlying reforms in these countries, triggered by Mr. Gorbachev's *glasnost* and *perestroika*, has been the recognition that all the failings of communism or Marxism-Leninism thus far has been systemic, that is, inherent in the communist system itself; that in the words of a *Daily Telegraph* columnist, Ferdinand Mount, "the socialist project has been a disaster, and that he [Mr. Gorbachev] can hope to succeed only by dropping it bit by bit, and moving towards a society based on individual liberty, private property and the free market."²

On the other end of the spectrum is the view that reform in the communist countries, in the words of Tariq Ali, a doyen of the New Left, "if successful, would represent an enormous gain for Socialists ... on a world scale";³ that it would result in the emergence of reformed, purified, refurbished, more efficient and sophisticated socialism, not in spite of, but precisely because of *glasnost* and *perestroika*. Interestingly but perhaps paradoxically, both forecasts presume the ultimate success of reform, of *glasnost* and *perestroika*.

Indeed, whether or not communist reform will ultimately be successful may be the subject of an endless debate. And the two sides of the argument may be both right or both wrong, depending on the kind of expectations raised and the kind of criteria used.

²Quoted in Geoffrey Stern, *The Rise and Decline of International Communism* (Aldershot, Engl.: Edward Elgar Publishing Ltd., 1990), p. 255.

³*Ibid.*, p. 254.

Whatever the case, it seems that reform in the communist countries has gained its own momentum and this seems irreversible. It no longer depends too heavily on the survival of such a leader as even Mr. Gorbachev himself in the Soviet Union. Moreover, it would likely be neither fully successful nor totally unsuccessful. It is likely to achieve certain ends but perhaps not others, at least for the time being.

The Result of Change

Two main factors seem to underlie the difference between the seemingly opposing views. One is the interpretation of communism. The other is the way changes in communist countries are assessed.

Communism, of course, may be interpreted in different ways. It may mean an ideology, and if so in what sense. It may mean the original Marxian ideal. It may also mean a political movement, and so on and so forth. And without a definite interpretation of communism, the view that the process of reform in communist countries means the death of communism seems rather simplistic. If by communism we mean the Marxian ideal, then it has never existed, anyway. If we mean an ideology in the sense of a system of belief in the coming realisation of such an ideal, nobody will ever know for sure. It is in the minds of men.

If we mean a political movement, however, then communism still exists and may have a future, irrespective of whether or not the attainment of the Marxian dream is still regarded as an attainable goal.⁴ After all,

despite the dismantlement of the communist party on power, the communist party is still functioning, if in some former communist countries now in the context of a democratic pluralism, particularly in most, if not as yet all, the East European member countries of the Warsaw Pact. In most of the rest of the communist world, particularly in Asia such as the PRC, North Korea, Vietnam, and even Mongolia after a general election involving a multiparty system, in Albania and Yugoslavia in Europe, and in Cuba in Latin America, the communist party still continues to be firmly in power.

On the other hand, the view that maintains the continued survival of communism even if in a reformed, purified, refurbished, more efficient and more sophisticated version precisely because of *glasnost* and *perestroika* may derive from too heavy reliance on a literal understanding of Mr. Gorbachev's statements and remarks on the matter. In fact, while important, Mr. Gorbachev's statements and remarks on *glasnost* and *perestroika* should not be judged at face value. His intentions are probably to be judged not so much by what he says as by what he does and what he does not do. To take just some examples, no matter what he says about Leninism, he has tolerated the eventual dismantlement of the communist party's monopoly on power not only in the Eastern European member countries of the Warsaw Pact but in his own country as well. This is a fundamental tenet of Leninism. He has proposed the reinstitution of private ownership, a taboo to Leninism. He has also gradually dismantled the so-called democratic centralism usually attributed to Lenin. Then with respect to Eastern Europe again, he has abandoned the Brezhnev Doctrine and adopted, instead, to quote Mr. Genady

⁴For a discussion on the different meanings of communism, see *ibid.*, esp. Ch. 13, pp. 244-257.

Gerasomov, a spokesman of the Soviet government, the "doctrine of Frank Sinatra."

Indeed, it should be appreciated that his position as Soviet leader prevents Mr. Gorbachev from openly discrediting Lenin or Leninism, the principal basis of legitimacy for the communist party's rule, and thus for his own leadership. On the contrary, whatever his intentions with his programme of *glasnost* and *perestroika* he has no other way than linking it with or basing it upon Lenin and Leninism to get the support of his people, who in turn would not otherwise understand his policy in the absence of any other terms of reference than Leninism, which has been indoctrinated to them for decades. In fact, even the now famous President of the Russian Republic, Boris Yeltsin, well known for his "radical" views on reform, still seems to ascribe democratic practice to Lenin, apparently being unfamiliar with those aspects of Lenin never published in the Soviet Union.⁵ Perhaps for that reason, rather than a radical, Boris Yeltsin seems to be no more than just a vocal and impatient reformist.

Interestingly, despite different assessments not only on whether or not Mr. Gorbachev will be successful but also on what is the most likely outcome of his *glasnost* and *perestroika* if he does turn out to be successful, there seems to be a certain consensus, particularly as far as Western Europe is concerned. It is that *glasnost* and *perestroika* in the Soviet Union and the rest of the Warsaw Pact member countries of Eastern Europe has resulted in the decline or even disappearance of the "Soviet or communist

threat", a perception that has accounted for the division of the world into two blocs, East and West, and hence the Cold War, for over four decades.

Indeed, it would not seem inconceivable that the two different and seemingly conflicting ways of describing the possible outcome of changes in the Soviet Union and the other Eastern European member countries of the Warsaw Pact under *glasnost* and *perestroika*, the view from the left and the view from the right, may actually refer to an identical thing. If so, as Geoffrey Stern remarks, it should serve to demonstrate, "how elastic and imprecise is the vocabulary of politics." Therefore, in the last analysis, the real test on the value of a system is whether or not it is "responsive ... to the needs of the individuals it is designed to serve, rather than what people choose to call it."⁶ And as regards *glasnost* and *perestroika*, launched by Mr. Gorbachev, a key question to be asked is not what it should be called either, but "whether it can succeed in bridging the gap between promise and performance".⁷

Implications for the Region: The Internal Dimension

Current discussions on the fate of communism such as the above, whether it is dying or dead already, or it is merely undergoing a crisis of faith, being discredited, and so on, refer mostly to developments in Eastern Europe, particularly the Soviet Union and its Warsaw Pact allies. They do not apply, as mentioned earlier on, to Albania and Yugoslavia, Cuba, and most re-

⁵Boris Yeltsin, *Against the Grain: An Autobiography*, trans. Michael Glenny (New York: Summit Books, 1990), pp. 228 and 235.

⁶Stern, *Rise and Decline*, p. 255.

⁷*Ibid.*, p. 254.

levant to the present discussion, the Asian communist countries, putting aside the Soviet Union, which in this context is to be treated more as a European than an Asian communist country. Communism seems alive and well in Asia. The communist parties are not in disarray. They appear to continue to be firmly in power, even in Mongolia as mentioned before, despite the loss of its monopoly on power.

This may partly explain that while in the West developments in Eastern Europe have resulted in the perceived decline of the Soviet or communist threat, which many may now realise perhaps never was after all, and thus the decline of the Cold War, that seems hardly the case in Asia, particularly Southeast Asia, at least not entirely. Indeed, Prime Minister Lee Kuan Yew of Singapore in his national day rally speech referred to "the end of red threat" paving the way for open democratic politics.⁸ And President Soeharto of Indonesia has referred to the failure of communism to create justice.⁹ But otherwise no other Southeast Asian leaders have specifically referred to the decline, let alone the demise or the end of the communist threat.

The difference may also be explained by the fact that while in the West (particularly Western Europe) the communist threat has been purely not only Soviet but also external in nature, in Southeast Asia the communist threat has been not only of more varied nature, that is, Soviet as well as Chinese, and possibly Vietnamese (for Thailand, and Korean for South Korea in Northeast Asia), but it has been primarily an internal problem. Indeed, the PRC was alleged to have been involved in the communist coup at-

tempt in Indonesia in 1965. But the coup remained basically an internal affair.

Thailand has regarded Vietnam as a source of threat to its national security, especially since the Vietnamese invasion of Cambodia in 1978. But it seems that the Thai perception of the Vietnamese threat should be understood more in terms of power politics than in terms of ideology. Otherwise the PRC should be seen as more threatening than Vietnam. And yet the perceived threat from Vietnam has prompted Thailand to align itself more closely with the PRC in the face of that threat. It seems that for Thailand the communist threat has also been basically of internal dimension, and its alignment with PRC is in part an effort to cope with that form of threat.

In Malaysia, however, the communists have openly laid down their arms, probably in their forlorn hope of getting outside assistance now that the communist world is beset with internal problems. In the meantime the Philippines has continued to be troubled by the communists if with no clear signs of outside help from any communist power. And in Indonesia people have been constantly warned against the latent communist danger for the last quarter of a century almost without letup.

Perhaps for considerations of domestic politics, particularly the strong anti-communist sentiment in the country since 1965, the official ban not only on the Indonesian Communist Party (PKI) but also on the study and propagation of Marxism-Leninism now still in force, there has been noticeable caution on the part of the general public in Indonesia regarding developments in the communist world. Indeed, the general attitude has been that there continues to be a

⁸ *Straits Times*, 27 August 1990.

⁹ *Kompas*, 30 Agustus 1990.

communist threat, if ill-defined, despite changes in the communist countries. This is definitely the safest line to take. It is not against the mainstream. If it finally proves wrong, at least it will not run any risk. The opposite attitude would be risky from the beginning, and worse if it finally turns out to be wrong.

At least on the surface, therefore, the internal dimension of changes in the Soviet Union and its Warsaw Pact allies does not seem to have much impact on the region of Southeast Asia, collectively as well as individually, particularly with regard to perceptions of the communist threat, which is primarily of internal nature. One exception seems to be Singapore as referred to earlier. Nor do these changes have a direct impact on the external behaviours of the countries of the region. If they do, it is indirect in nature, namely, to the extent that the internal dimension of changes is manifested in a shift in the foreign policies of those communist countries. Indeed, in this sense, that phenomenon also applies even to the communist countries of Asia, particularly the PRC. But this is beyond the scope of the present discussion.

The External Dimension

By contrast, the external dimension of changes in the Soviet Union and its Warsaw Pact allies, although it has been generated by the internal dimension, appears to have had greater significance and more important and tangible implications for the countries of Southeast Asia than the internal dimension. Because of their interest in the creation and maintenance of a peaceful international environment that would be favourable to their internal changes, the Soviet Union and its

allies have pursued an increasingly moderate and peaceful foreign policy. Mr. Gorbachev, in particular, has taken numerous peaceful initiatives in the way of disarmament and arms control, withdrawal from involvement in regional conflicts, withdrawing military support and military presence, all of which has done a lot of damage to its economy. At the same time, Mr. Gorbachev has launched a policy of detente with the West, particularly the United States, and with the PRC, as well as making efforts to improve bilateral relations with the countries of the four continents.

That is not to suggest that Mr. Gorbachev has been successful all the way. Nor have the other countries immediately responded to his overtures. But at least he has succeeded in changing and improving the image of the Soviet Union as well as of its allies. The Soviet Union has now appeared less aggressive and expansionist, and on the contrary it has become more flexible, moderate and peace-loving. If initially the other countries, including those in Southeast Asia particularly ASEAN, were cautious towards Soviet moves,¹⁰ they have now seemed to be less suspicious and more trusting. They have generally been more responsive to the shift in Soviet foreign policy, especially since 1989, when all caution seems to have begun to diminish considerably.

Most symptomatic of that positive response to Soviet peace initiatives in Southeast Asia has been the improvement of Indonesian-Soviet relations, marked, after much delay, by President Soeharto's visit to the Soviet Union in September of that year to meet the long-standing invitation extended

¹⁰For the case of Indonesia, see J. Soedjati Djiwandono, "Indonesia's Response to Soviet Initiatives", *Indonesian Quarterly*, vol. XIII, no. 1, 1985.

by Mr. Gorbachev. Indeed, already in Tashkent, where President Soeharto started his visit to the country, he went so far as to express gratitude to the Soviet assistance to Indonesia during its confrontation with the Dutch over what is now Irian Jaya. He repeated this expression when meeting Mr. Gorbachev in Moscow later on.¹¹ And during his previous visit to Samarkand, the President expressed his admiration for religious freedom in the Soviet Union.¹²

Interestingly, what may be regarded as an indication of the lack of impact of the internal dimension of change in the Soviet Union was the remark made by President Soeharto to Mr. Gorbachev, apparently lest Indonesia's gesture be mistaken, that Indonesia would not change its stance on communism. Yet he stated that although Indonesia had crushed the Indonesian Communist Party and banned it for an unlimited period of time, it had no feeling of enmity towards communist countries. He praised *glasnost* and *perestroika*.¹³

President Soeharto's visit was later reciprocated, in a sense, by the Soviet Vice President, Mirzaolim Ibragimovich Ibragimov, who is currently President of Uzbekistan. He visited Indonesia in mid January this year at the invitation of President Soeharto. And through him the President reiterated his invitation to Mr. Gorbachev to visit Indonesia, which he had extended before during his visit to Moscow.¹⁴ This visit, as well as a number of mutual visits between the two countries at various levels and by various groups since

President Soeharto's visit to the Soviet Union, have been part of the realisation of improvement in Indonesian-Soviet relations in attempts to give content to those relations, particularly in trade and economic cooperation.

Indeed, perhaps not much has materialised. But at any rate, President Soeharto's visit to the Soviet Union has set the relations between the two countries on a fresh footing. A new era of Indonesian-Soviet relations is unfolding. Perhaps *glasnost* and *perestroika* have somehow rubbed off on Indonesia.

There has been, however, some degree of anxiety in Indonesia, and possibly in the rest of Southeast Asia as well, that with the understandable eagerness of the Western countries on providing assistance for the Soviet Union and its allies in Eastern Europe, foreign investment, particularly from Western Europe, may be redirected to those countries in Eastern Europe at the expense of Southeast Asia, including Indonesia. But this may be an issue to be addressed separately.

At all events, the two-way process of coming closer to one another between the Soviet Union and its allies on the one hand and the countries of Southeast Asia on the other has definitely helped to reduce tension and to create a new, more peaceful and favourable climate in the region. This has been conducive to efforts at a peaceful solution of regional conflicts such as one on Cambodia. If it has seemed difficult all along for the warring factions in Cambodia to reach an agreement on almost anything, at least the external powers either directly or less directly involved or interested in the problem have indicated their eagerness, greater

¹¹ *Jakarta Post*, 9 September 1989.

¹² *Kompas*, 9 September 1989.

¹³ *Jakarta Post*, 13 September 1989.

¹⁴ *Suara Pemanduan*, 19 January 1990.

interest, and goodwill to find a final solution. Through the Security Council of the United Nations, the permanent members have managed, unlike previously, to reach basic agreements on ways to help the Cambodians themselves to solve their differences with a view to achieving a final solution to the problem.

Concluding Remarks

There are, however, uncertainties as far as the future is concerned. If changes in communist countries in Eastern Europe have resulted in a more peaceful Europe, despite its new problems, it remains uncertain what the future holds for the Asia-Pacific region, including Southeast Asia. Given the solution of the Cambodian conflict, new sources of potential conflicts abound. Borders are not all settled such as those in the South China Sea because of claims and counter claims to sovereignty over the Spratleys and Paracels, involving a number of Southeast Asian, including ASEAN, countries as well as China.

Further afield, great power detente is not complete without normalised relations between Japan and the Soviet Union. Now that

both the Soviet Union and the USA are likely to reduce their presence in the Asia-Pacific region and the Cold War is on the wane, it remains uncertain as to what kind of a new constellation of powers is likely to emerge in the region. Meanwhile, despite its currently moderate foreign policy in support of its modernisation programme, thereby making China less threatening, there may be doubts as to its future intentions given the success of its modernisation programme. Would it be a dominant power in the region, particularly Southeast Asia, with no other great power able and willing to keep an eye on its international behaviour? How would it manage its relations with India, for example, another great power emerging in Asia?

One may take comfort in the hope, however, that changes in the communist countries would help to make them responsible members of the international community, having a greater stake in the existing international order and more to lose in challenging the status quo. And one would hope that the emerging constellation of powers in the Asia-Pacific region in lieu of the declining Cold War may be one in which no single power occupies a predominant position. That would be the kind of balance of power favourable to Southeast Asia.

Current US Policy in Asia: Principles, Problems and Performance

K.S. NATHAN

Introduction

THE Principles of American Foreign Policy may be described as the strategy or medium by which national interests are promoted abroad. It represents the cumulative combination of ideals and values, ideas and practices, as well as successes and shortcomings of the nation as it develops internally and projects itself externally. The uniqueness of the national experience shaped as it is by historical, cultural, economic, and geopolitical factors necessarily produces a particular foreign policy orientation. The fact that the American nation was born of an anti-colonial revolution has impelled the United States to perceive, initiate, and respond to revolutions in the light of its own political experience. The evolution of the United States as a democratic, capitalist, and powerful nation by the 20th century placed a heavy burden on its government and people to pursue national

interests in strict conformity with the ideals and principles enshrined in the American Constitution. While principles provide a guide to conduct, the principles themselves become increasingly articulated in terms of conduct that can be sustained by reality.¹

United States foreign policy reflects the constant as well as continuous interaction between theory and practice. The principles which constitute the very foundation of American foreign policy may be stated as follows: (1) sovereign independence; (2) anti-colonialism; (3) rejection of European-style 19th century power politics; (4) freedom of international trade and navigation; (5) self-determination of peoples; (6) egalitarianism and free enterprise; (7) support for democratic regimes and human rights; and (8) non-intervention. The experience of the American nation over the past 214 years since its birth (1776-1990), nevertheless, is an episode marked by a mixture of adherence

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¹Hans J. Morgenthau, "The Mainsprings of American Foreign Policy" in Robert A. Goldwin, ed., *Readings in American Foreign Policy*, Second Edition (New York: Oxford University Press, 1959), p. 643.

to, and departure from these fundamental principles that guide the conduct of US foreign relations. The aim of this paper is to evaluate the application of American principles to contemporary American foreign policy in Asia, especially under the Reagan Administration (1981-1988), and his republican successor who served as his vice-president, George Bush (1989 to present).

Does current US foreign policy reflect strong adherence to these principles? In what way have these principles been reinterpreted or modified to accord with America's current national purpose, problems, capabilities and interests? How do we measure America's performance in terms of its avowed principles, and problems encountered in the course of the actual conduct of foreign policy in Asia? These are some of the issues that will be examined in the light of US policy towards: (a) East Asia (China, Japan and Korea); (b) South Asia (India and Pakistan); and (c) Southeast Asia (Indochina i.e. Vietnam, Laos and Cambodia, and ASEAN i.e. the Association of Southeast Asian Nations comprising Indonesia, Malaysia, the Philippines, Singapore, Brunei, and Thailand).

The United States and East Asia

The central focus of US policy in this region is still Japan. Strategic factors have thrust the US-Japan relationship into the mainstream of American policy in Asia. The Mutual Security Treaty signed in 1951 and renewed in 1960 binds the world's strategic superpower and the world's economic superpower in a cooperative partnership for the maintenance of peace and stability in East Asia. This pivotal relationship is underscored by the presence of over 55,000 American troops across more than 100 bases and

facilities on Japanese territory (including 38,000 Marines on Okinawa).

The present US commitments to Japan which also includes provision of a nuclear umbrella have their antecedents in the Containment principle. The Containment policy launched initially in Europe (Truman Doctrine, 1947) and later extended to Asia (Eisenhower-Dulles Doctrine, 1954) strategically encapsulated *all* the basic principles of American foreign policy in pursuit of the national interest at any given time. It was a negative doctrine in the sense that it aimed to halt Soviet and Chinese communist aggression against free peoples. It was a conservative political doctrine in the sense that it aimed at preventing violent revisions of the status quo as the "use of force brings with it the prospect of a military confrontation between Great Powers, and such a confrontation immediately raises the possibility of a nuclear holocaust."² The US presence in both Japan and South Korea is designed to ensure that the regional balance of power that has hitherto prevailed is maintained. The ensuing stability has created prospects as well as problems in US-Japan relations.

The prospect of Japan assuming a greater share of the defense burden has improved with Tokyo agreeing to develop a policing capability stretching up to 1,000 miles south of its territorial boundaries. The Japanese have also agreed to further subsidize the cost of the US military presence in Japan. Both Washington and Tokyo still consider the Soviet Union a security threat to East Asia as Soviet-Japanese ties are still strained over the disputed control of the Northern Territories (Kurile Islands).

²Irving Kristol, "America's World Responsibility" in Robert A. Goldwin, *ibid.*, p. 702.

Current tensions in US-Japan economic relations may be viewed as one of the by-products of strategic stability in East Asia. A major problem for US foreign policy in this regard is the reconciliation of two apparently contradictory elements in the bilateral relationship: strategic partnership and economic rivalry. In recent years the US has registered huge deficits in bilateral trade with Japan leading to mutual accusations of protectionism and insensitivity to the other's needs. For instance, in April 1987, the Reagan administration imposed US\$300 million in tariffs on Japanese products in retaliation against Tokyo's failure to comply with a September 1986 agreement restricting the sale of semi-conductors.³ In 1987 alone, the US trade deficit with Japan was a hefty US\$60 billion or over one-third of its total trade deficits with the whole world (US\$172 billion). Currently, the figure stands at US\$49 billion.⁴ To be sure, both governments have tried without much success to introduce measures to reduce economic frictions, for example, the adoption of voluntary export-restraints by Japan in 1981. Nevertheless, the search for solutions must continue in order to avert further crises arising from the relative economic and technological decline of the US, and Japan's relative rise.

The phenomenon of relative US decline was manifested recently by the inclusion of a Super 301 provision in the US Trade Act, which categorized Japan as an unfair trading partner. Additionally, the United States has sought to remove underlying obstacles to a more equitable trading relationship with Japan by launching the Structural Im-

pediments Initiative (SII).⁵ The controversy surrounding the co-development of the new FSX fighter aircraft for Japan's Air Force in the early month of the Bush administration is yet another indication of the widening technological gap between them, and Japanese desire to develop an independent defence capability. Efforts to contain trade tensions appear to have materialized in a recent interim trade accord (April 5, 1990) in which Tokyo has agreed to undertake unilateral measures to reform six key trade and business practices that the US alleges have contributed to the huge trade deficit. These steps cover reform of Japan's: (1) distribution system; (2) monopolistic arrangements by Japan's industrial conglomerates or 'Keiretsu'; (3) exclusionary business practices; (4) savings and investment patterns; (5) pricing mechanisms; and (6) land policies.⁶ Nevertheless, the crux of US-Japan trade frictions may well be rooted in a more serious problem: the declining competitiveness of American industry relative to Japan's virtually unarrestable economic dynamism.

US policy toward South Korea is aimed at ensuring the survival of democracy and to deter any moves by the North to attempt a forceful reunification. The presence of 43,000 American troops to buttress South Korea's military capability to resist armed invasion from the North has generally been welcomed by Koreans South of the 38th parallel. Nevertheless the process of democratization of South Korean politics, and the general reduction of international tension since Mikhail Gorbachev assumed power in the Soviet Union (March 1985) have had the

³ *Asia 1988 Yearbook* (Hongkong: Far Eastern Economic Review, 1988), p. 81.

⁴ *Star*, 7 April 1990, p. 17.

⁵ *Asia 1990 Yearbook* (Hongkong: Far Eastern Economic Review, 1990), p. 70.

⁶ *New Straits Times*, 7 April 1990, p. 18.

effect of increasing pressures for a review of the American presence. Since President Roh Tae Woo took over the reins of power as Chun Doo Hwan's successor (December 1987), the US and South Korean governments have begun discussions for a possible reduction of the American military profile in Korea.⁷

Seoul's emergence as an NIC (Newly Industrialized Country) with rising technological-industrial capacity has strengthened its desire to co-produce (like the Japanese) the new FX aircraft -- a request that has thus far been viewed negatively by Washington in the context of the overall security relationship. In any event, the prospect of US retrenchment will undoubtedly be fuelled by developments on the Korean peninsula as well as outside. With German reunification imminent, and with North Korean President Kim Il Sung's recent call for the demilitarization of the Cold War border,⁸ it is likely that the general atmosphere of detente would drive the US Congress in the direction of force reductions.

US Defence Secretary, Dick Cheney, announced in Tokyo (February 1990) that the US expects to reduce its troop presence in Japan, South Korea, and the Philippines (totalling 120,000 troops) by 10 per cent based on three major factors viz. changing Soviet force compositions, local reactions in host countries, and budgetary constraints.⁹ The momentum towards retrenchment in Korea

is bound to be accelerated should the process of *perestroika* and *glasnost* begin to shape Pyongyang's internal and external policies. The problem as well as the challenge for American policy is in maintaining a credible military presence while aiding the process of democratization and possible reunification of the Korean nation.

America's China policy, based on encouraging a strong, modern, democratic non-threatening, and cooperative power since 1969 experienced some serious reversals as a result of the June 4, 1989 Tienanmen Incident. The brutal crushing of pro-democracy protesters by the People's Liberation Army, and subsequent American economic sanctions against China reflect the gap in perceptions and expectations of each other that has inevitably widened with Deng's unwillingness to align political reform with the pace of economic modernization. In response to the Tienanmen Incident, the US Senate approved (November 16, 1989) stringent legislation imposing a ban on arms sales, satellite exports, and police equipment, together with a cessation of certain forms of nuclear cooperation. In addition to a ban on high level visits -- a significant feature of the bilateral relationship during the Reagan presidency -- the US has also stopped further liberalization of export controls vis-à-vis the PRC.

Nevertheless, the US has been cautiously keeping the lines of communication open to Beijing in the context of broader strategic considerations. Sino-Soviet normalization culminating in the May 1989 visit of Mikhail Gorbachev to Beijing, coupled with the rapid expansion of bilateral trade between the two communist giants is a development that has potential implications for the Asian

⁷Norman D. Palmer, "United States Policy in East Asia," *Current History*, vol. 88, no. 537 (April 1989), p. 164.

⁸*New Straits Times*, 13 April 1990, p. 10.

⁹Speech by Ambassador Paul M. Cleveland to the Rotary Club of Kuala Lumpur, *United States Information Service* (28 February 1990), p. 3.

balance of power. The United States cannot alienate the PRC and yet expect to maintain an even-handed policy towards Beijing and Moscow. The challenge for US policy in the decade of the 1990s is to orchestrate a Sino-Soviet detente with equal process as it did the Sino-Soviet rivalry of the 1960s and 70s.

Apart from managing frictions in Sino-American trade relations, with Beijing's frequent complaints against US protectionism vis-à-vis Chinese textile exports, two other issues that can affect current and future relations are Taiwan and Tibet. Under the Congress-enacted Taiwan Relations Act of 1979, the US maintains a One-China policy while at the same time continuing political, military and economic ties with Taipei. The "Taiwan Question," however, will continue to remain manageable so long as Beijing pursues its present stand of peaceful reintegration.

On the issue of Tibet, the impact of worldwide pro-democracy uprisings could once again force Congressional attention on Tibet, ruled as a Chinese province following its forceful occupation by the PLA in 1959. Sino-American relations were strained when in September 1987, the US Congress received the exiled Dalai Lama. Tibetan agitations for human rights and self-determination a month later (which were promptly suppressed) could resurge in the wake of the success of pro-democracy demonstrations in neighbouring Nepal (April 1990) which shares a common border with Tibet. The challenge for US policy here lies in terms of respecting the principle of non-intervention in the internal affairs of states without sacrificing its great power responsibility of supporting human rights and self-determination for the peoples of Asia.

The United States and South Asia

American policy in the South Asian region has been influenced by the relationship between the two principal actors -- India and Pakistan -- and their external orientations. That relationship between the two Asian states has been marked more by rivalry than by accord. The roots of Indo-Pakistani discord can be traced back to the creation of these two states in 1947 when the exit of British power was marked by unsettled territorial, ethnic and religious issues -- all of which have produced three wars, two for control over Kashmir (1947 and 1965), and the third over Bangladesh (1971). Cognizant of India's actual and potential pre-eminence in South Asia, the United States has attempted to balance India's relationship with Pakistan through a bilateral security treaty with the latter. In the 1970s and 80s, American policy was largely influenced by balance of power considerations arising from Pakistan's alignment with China and India's alignment with the Soviet Union. Following the Indo-Soviet Treaty of August 15, 1971, US policy moved to contain India but could not prevent the dismemberment of Pakistan whose eastern wing formed the basis for the creation of Bangladesh. The aftermath of this failed episode was marked by a general reduction in American interest in South Asia as a consequence of the Nixon Doctrine (1969).

The resuscitation of US interest was triggered by the Soviet invasion of Afghanistan in December 1979. This event and the Cambodian invasion by Hanoi in 1978 provided the needed opportunity for a resurgence of American power and leadership under the new president, Ronald Reagan. Convinced that the Soviets were using detente to make

further inroads into America's traditional spheres of influence, Reagan formulated a programme to reverse foreign policy losses. The cardinal principle of the "Reagan Doctrine" was to support wars of national liberation undertaken by right-wing revolutionary movements.¹⁰ American support in terms of arms, money, and training was aimed at rolling back communism -- not merely containing it. In this regard, US policy could be seen as revolutionary as it aimed at overthrowing communist or pro-communist regimes in the same way that the communist powers have attempted to overthrow capitalist and pro-American regimes in the past.

In South Asia, the Reagan formulation meant immediate support for Pakistan as a frontline state, aid to the Mujahideen Rebels, and other political, military, and diplomatic measures that will substantially increase the cost of the Soviet military occupation. In 1981, the US approved US\$3.2 billion in military and economic aid to Pakistan in view of "Pakistan's crucial role in the Afghan war, in providing a haven for nearly three million refugees and a base for increasingly effective guerrilla operations against Soviet and Kabul forces."¹¹ This first 6-year aid package was supplemented by another package of US\$4.02 billion in aid for the 1987-1993 period.¹² To avert the possible loss of Afghanistan to the Soviet Union, the United States in 1986 decided to supply the Afghan rebels with Stinger anti-aircraft missiles whose effectiveness was proven by mounting Soviet casualties. When

Gorbachev undertook to withdraw some 105,000 Soviet troops under the Geneva Accords (April 1988), and completed their withdrawal by February 15, 1989, it became abundantly clear that the Reagan Doctrine contributed significantly toward that end.

The impact of Afghanistan was felt in the US approach to India under Mrs. Indira Gandhi. New Delhi's hesitancy in strongly condemning the Soviet invasion was perceived by Washington as a trade-off arising from the 1971 Soviet-Indian treaty. However, US-Indian relations entered a new phase of normalcy with the ascendancy of Rajiv Gandhi in 1984. Sensitive to Indian concerns that the aid package to Pakistan was massive compared to that for India, the US agreed to step up technological and defence cooperation with New Delhi, including the sale of a supercomputer under a Memorandum of Understanding (MOU) in November 1984. Gandhi's visits to the United States in 1985 and 1987 have helped improve economic relations. In view of the fact that the US remains the largest source of foreign direct investment for India, Washington urged New Delhi to further liberalize its foreign investment regulations.¹³

On the strategic front, US policy reflects a recognition of India as the dominant regional power in South Asia -- a recognition that was denied under Nixon. Indeed, Washington has come to view India's policing role in positive terms within the framework of regional self-reliance enshrined in the Nixon Doctrine. The US adopted a supportive stance on the Indo-Sri Lanka Peace Agree-

¹⁰Phil Williams, "The Limits of American Power: From Nixon to Reagan," *International Affairs*, vol. 63, no. 4 (Autumn 1987), p. 581.

¹¹Fred Greene, "The United States and Asia in 1987: Progress Brings Problems," *Asian Survey*, vol. XXVIII, no. 1 (January 1988), p. 18.

¹²Zalmay Khalilzad, "The United States in South Asia," *Current History*, vol. 88, no. 542 (December 1989), p. 418.

¹³*Asia 1990 Yearbook*, p. 136.

ment (July 29, 1987) which permitted the deployment of over 50,000 Indian Peace-Keeping Forces (IPKF) in northern Sri Lanka to put down the Tamil separatist rebellion against Colombo. New Delhi's regional image was enhanced in November 1988 when a force of 1,600 Indian paratroopers foiled a coup attempt against Maldivian president, Maumoon Abdul Gayoom. In both the above events, the Reagan administration's policy was one of acquiescence to India's role as a regional superpower -- to the extent of congratulating New Delhi for its "valuable contribution to regional security."¹⁴

The major problem for American foreign policy in South Asia relates to the adoption of appropriate measures to keep the regional political configuration in rough equilibrium. US military and economic aid to the principal protagonists needs to be balanced against declared American policy in support of nuclear non-proliferation. Both India and Pakistan have significant nuclear potential. Whilst India has already exploded a nuclear device in 1974, Pakistan is on the threshold of becoming a nuclear power. The challenge for US foreign policy lies in: (1) preventing either power from acquiring a nuclear-military capability as this would increase regional tensions and attract superpower involvement; (2) encouraging a resolution of territorial claims by India and Pakistan over Kashmir which is currently the focal point of Indo-Pakistani hostility; and (3) balancing support for the issue of human rights and self-determination in ethnically tense areas as the Punjab and Kashmir (both of which serve as fertile grounds for Indo-Pakistani conflagration) with respect for the territorial

integrity and sovereignty of the South Asian nations, including Afghanistan and Sri Lanka. Stronger American commitment to regionalism within the framework of SAARC (South Asian Association for Regional Cooperation formed in 1985, comprising seven members: India, Pakistan, Bangladesh, Nepal, Bhutan, Sri Lanka and Maldives) could serve as a significant contribution in moving the current process of international detente forward at the regional level.

The United States and Southeast Asia

US policy towards the region is firmly anchored in ASEAN. Current US policy (under Reagan and Bush) is based on a recognition of several trends and factors in Southeast Asia: (1) the relative absence of high-intensity conflict since the collapse of the pro-US regimes in South Vietnam, Laos, and Cambodia in 1975. Even the Vietnamese invasion of Cambodia in December 1978 was unable to get the Americans reinvolved at pre-Nixon Doctrine (1969) levels; (2) the emergence of a regional balance of power in Southeast Asia that is highly favourable to American interests. The post-1975 order is characterized by a fairly strong, resilient, and anti-communist ASEAN that has proven its politico-economic capability and diplomatic dexterity in confining the ongoing Cambodian conflict to within the borders of the Khmer nation; (3) a successful ASEAN-led political, economic, military, and diplomatic offensive that has forced the Vietnamese occupation army of some 140,000 troops to withdraw from Cambodia by September 30, 1989; (4) enhanced political, economic and security cooperation among the ASEAN

¹⁴*Time*, no. 14 (3 April 1989), p. 7.

states to cope with internal and external threats i.e. the building of habits of consultation and cooperation thus obviating the possibility for intra-ASEAN conflicts; (5) a declining American military profile in South-east Asia arising from strengthened local defence capabilities, failure of socialist-oriented economies, Soviet global retrenchment, and nationalist protestations in the Philippines urging the removal of US bases at Clard Airfield and Subic Bay; and (6) a corollary to this trend is being manifested in the form of indigenous proposals to achieve ZOPFAN (ASEAN-initiated Zone of Peace, Freedom and Neutrality in 1971), ZOGIPAN (Vietnam-initiated Zone of Genuine Independence, Peace and Neutrality as a response to the 1971 proposal), and SEANWFZ (Southeast Asia Nuclear Weapons-Free Zone - a proposal raised at the annual ASEAN Foreign Ministers Meeting in Jakarta in July 1984).

Although the Nixon Doctrine has set the basic parameters of US military involvement in regional conflicts i.e. in terms of building local defence capabilities buttressed by military, economic, and training assistance but without *direct* American involvement, the Reagan Doctrine has evidenced a more ambitious goal. The doctrine has been applied to Southeast Asia in the form of strong US backing for the Non-Communist Resistance (NCR) led by Prince Norodom Sihanouk. While Washington supports ASEAN proposals for conflict resolution, including the ASEAN sponsored CGDK (Coalition Government of Democratic Kampuchea, created in Kuala Lumpur in 1982, and comprising the three resistance groups viz. the Sihanouk faction, the KPNLF -- Khmer People's National Liberation Front -- under Son Sann, and Pol Pot's Khmer Rouge), US

policy has steered firmly away from recognizing the Khmer Rouge. Pol Pot's genocidal policies resulting in the death of 1-2 million Cambodians between 1975 and 1978 are an affront to American Conceptions of human rights.

Firstly, US policy towards a Cambodian settlement faces a dilemma: Can a viable, durable, and neutralist Cambodian government be formed *without* the participation of the Khmer Rouge, by far the strongest military component in the CGDK? *Secondly*, if the Hun Sen government installed by Hanoi is more acceptable because it is less brutal, should the United States accord some measure of legitimacy to the current Phnom Penh regime? The Reagan Doctrine is premised on the ouster of communists (be they the Khmer Rouge guerrillas or the Hun Sen regime), and the creation of a non-communist government through elections supervised by the United Nations. The absence of any real or concrete US interests in communist Southeast Asia (Indochina) remains a factor in the virtual non-existence of an official policy towards Cambodia.

The Bush Administration, like its predecessor, is torn between idealism, which urges total rejection of the communist elements in Cambodia and realism which requires compromise along the lines of the ASEAN formula. The ASEAN solution favours a comprehensive settlement incorporating the four principal contenders for power in Cambodia: the present Hanoi-backed Hun Sen regime, and the three resistance factions comprising the CGDK. However, the recent tactical shift in US Cambodian policy announced by Secretary of State, Jim Baker (July 18, 1990) apparently conflicts with ASEAN's quadripartite so-

lution. In supporting the Tokyo Communiqué (June 5, 1990) calling for the establishment of a Supreme National Council (SNC) which excludes the Khmer Rouge faction, the United States has now officially withdrawn its recognition of the CGDK as the legitimate representative of Cambodia in the United Nations. Recent military gains by the Khmer Rouge have heightened fears in Washington of a possible seizure of power by this notorious communist faction reputed for killing over one million of its citizens during its period of governance from 1975-1978. Current US preoccupations with human rights concerns in its Cambodian policy in a post-Cold War environment reflects on partial return to the policy of the Carter Administration in the immediate post-Vietnam War era in Southeast Asia.

US support for ASEAN regionalism in comparison to Cambodia has been less problematic. Intra-ASEAN political stability and economic resilience have made the task for the US somewhat easier. Commitment to ASEAN was underscored by President Reagan's brief stopover in Bali, Indonesia (April 25, 1986) for a summit meeting with host, President Soeharto, and to meet ASEAN foreign ministers. Nevertheless, security matters are not as high up on the agenda of US-ASEAN relations as are economic and trade matters. Washington's relations with individual ASEAN countries undergo strain from time to time over trade issues especially protectionist barriers in the US that are viewed as serious impediments to the association's industrialization programmes.¹⁵ The US-ASEAN dialogues, initiated in 1977 provide a forum for annual discus-

sions to mitigate mutually generated economic frictions. As the US is the second largest trader and investor in ASEAN after Japan, the concept of regional security through trade, investment and development will merit serious consideration under prevailing conditions of international détente. The challenge for the United States is in strengthening the economic foundations of ASEAN regionalism as the best guarantee of American interests in the region.

The changing security scenario in Southeast Asia since the ouster of Philippine President Ferdinand Marcos in February 1986 has been accompanied by growing nationalist sentiment against the US military presence in the Philippines. The Reagan, and Bush administrations have found it increasingly difficult to negotiate a compromise by which Washington's oldest and largest overseas facilities could be retained.¹⁶ In the light of domestic difficulties in the Philippines (marked by at least six failed coup attempts against President Corazon Aquino, plus communist New People's Army attacks on the bases), Washington might be forced into a substantial modification or reduction of its military presence in the near future. The complexity of the bases issue is also linked to an economic factor -- the American military presence brings US\$1 billion in revenue, and 80,000 jobs to Filipinos on an annual basis. Proposals by ASEAN to neutralize Southeast Asia and declare it a nuclear-free zone could serve as additional incentives for the US pullout given the huge federal deficits and an increasingly budget-conscious Congress.

The problem for American policy, however, is far more serious: would the US pull-

¹⁵Robert C. Horn, "U.S.-ASEAN Relations in the 1980s," *Contemporary Southeast Asia*, vol. 6, no. 2 (September 1984), p. 127.

¹⁶*New Straits Times*, 13 April 1990, p. 10.

out destabilize the existing framework of Asia-Pacific stability which has been built around an American presence? Would ASEAN political and economic stability hold *without* an American presence? These are serious issues with wide ramifications at the regional and international level, and are bound to substantially affect the course of intra-ASEAN, and US-ASEAN relations. Difficulties with the Philippines have urged Prime Minister Lee Kuan Yew to offer expanded military facilities in Singapore.¹⁷ Any shift of US power to Singapore could again produce consequences for intra-ASEAN relations. Both Malaysia and Indonesia are opposed to further increments of external power presence as they contradict the principle of ZOPFAN. Moreover, externally-induced shifts in the regional power balance can stimulate an arms race among the local powers. The American dilemma is to find a solution that will dissuade new regional and external predators from capitalizing on the bases issue. In this regard, Rear Admiral (Retired) L.R. Vasey observes that the projection of American power "helps to dampen incipient conflict between friends of the United States -- Indonesia, Malaysia, Korea, Japan, Singapore, Taiwan and China."¹⁸

Conclusion: The Performance of US Policy in Asia

National performance in international relations is relative to space, time, and issue. Principles of policy are formulated on the

basis of the human experience in as much as they are modified by it. The dictates of national survival in an anarchic world order place a high premium on the national interest. While US national interests have been articulated in global and humanitarian terms, performance has sometimes lagged behind principle. That is because between principle and performance lies the human mind which is prone to perfection as well as error US foreign policy has been pulled in both directions, motivated ostensibly by the national interest.

Current US policy in Asia is partly a product of design and partly default -- design because the containment policy has evidently borne fruit, and default because of the inherent weakness of Communism, now becoming increasingly apparent in the political, economic and social spheres. As an American foreign policy specialist has aptly remarked: "If containment is judged by Kennan's first test (preventing the expansion of Soviet geographical control), then surely it has succeeded."¹⁹ In East Asia, performance must inevitably be measured by the basic strategic stability of that region. Strident containment of international communism has forced China and the Soviet Union into a moderate stance with both powers virtually abandoning their messianic roles which they ardently professed in the 1950s and 60s. The strength of Japanese and South Korean economic dynamism (for which the US was at least partially responsible) has further exposed the economic bankruptcy of communism. In this process of global deideologization, credit cannot be

¹⁷*Star*, 14 April 1990, p. 15.

¹⁸See article by Russell Warren Howe and Richard Sale, "U.S. Faces Eviction in the Philippines," *New Straits Times*, 13 April 1990, p. 10.

¹⁹Robert J. Art, "America's Foreign Policy" in Roy C. Macridis, ed., *Foreign Policy in World Politics: States and Regions* (New Jersey: Englewood Cliffs, Prentice-Hall International, Inc., 1989), p. 117.

denied the nation that has championed democracy, free enterprise, human rights and egalitarianism.

Inasmuch as conflict and war breed problems, peace and success also beget problems. The facility in managing relations with friends and allies in a Cold War environment tends to diminish under conditions of detente. In Asia, the conversion of China from foe to friend, and failed expectations in the area of Chinese political reforms are issues in which convergence of principle and policy has been particularly difficult to achieve. Additionally, the conflict between *ideology* (support for, and recognition of the anti-Communist government on Taiwan) and *pragmatism* (acceptance of, and willingness to do business with the Communist government in Beijing) forced the Reagan administration to resolve the issue in favour of the latter principle by the issuance of a second Shanghai Communique on August 17, 1982. In exchange for Beijing's commitment to seek peaceful reunification with Taiwan, Washington agreed to gradually reduce arms sales to Taipei.²⁰ Coping effectively and efficiently with the economic potential of Japan is yet another area of serious difficulty for US policy. In dealing with China, Japan and Korea, the US performance evidences a greater capacity in the strategic sphere. The fact that economic relationships are evolving faster than political-security relationships could well account in some measure for the underlying economic frictions.

In South Asia, an area largely evacuated by the British empire, the US had to cope with nation-states whose political authority

is not coterminous with territorial control. This apparent imbalance in national sovereignty has produced ethnic conflicts in India, Pakistan and Sri Lanka. US policy has aimed at managing Indo-Soviet tensions through the balance of power mechanism. Yet, the US cannot be credited for India's explosion of a nuclear bomb, nor be blamed for inherent tensions arising from Indo-Pakistani border hostilities. However, US policy of supporting the Mujahideen Rebels has been a significant factor in the Soviet withdrawal, thus facilitating the prospect of self-determination and resolution of the Afghan conflict by Afghans themselves in the near future.

Finally, in Southeast Asia, current US policy may be described as continuing the past tradition of strong support for ASEAN regionalism while at the same time attempting to break out of the Cambodian stalemate. The Nixon Doctrine enabled the US to build an effective political, military, and economic counterweight in ASEAN. This factor was manifested ultimately in the Vietnamese withdrawal from Cambodia, and the increasing prospects for a resolution of the Cambodian problem by the Cambodians themselves. The problem in Southeast Asia, as elsewhere for US policy, is whether recognition of, and coexistence with communist regimes compromises US foreign policy principles based on support for human rights, freedom, equality, and sovereign independence of nation-states. In supporting democracy abroad, the US may be contravening the principle of non-intervention. And in supporting pro-American authoritarian regimes whose human rights records were highly suspect (for example, Park Chung Hee of South Korea, General Zia-ul Haq of Pakistan, and

²⁰John W. Spanier, *American Foreign Policy Since World War II* (New York: Holt, Rinehart and Winston, 1985), p. 254.

Ferdinand Marcos of the Philippines), Washington was perceived as having compromised democratic principles in favour of crude national interests.

Yet, the failure to intervene could well mean the failure to promote those principles

that constitute the foundation and strength of America as a great, democratic power -- principles, values and ideals that are also cherished by the rest of mankind. Herein lies the dilemma of American foreign policy in terms of linking power to purpose, and purpose to performance.

The Sources of Threats to Domestic Order in the ASEAN States

Paridah ABD. SAMAD

Introduction

THE sources of threats to domestic order are to be found in both internal and external phenomena. The internal sources to be considered in this article relate to national development, national unity, political participation and political succession and external factors which have had an impact upon the internal political scene.

Problems in the areas of national economic development, national unity, political participation and political succession are significant in adding to the difficulties of ASEAN governments in promoting national stability. Economic disabilities have political significance in increasing resistance, labour violence and Communism. Ethnic and religious conflicts have hindered the establishment and maintenance of national unity. Low levels of political participation raise doubts about the genuineness of an apparent democratic system and may help bring about an authoritarian system. Power struggles re-

sulting from the process of succession have been a serious periodical challenge to stability. These internal variables in combination with their external significances have contributed to increasing internal problems in the respective states of the region.

National Economic Development

The economic situation has a massive impact on political events. These two are inter-related as elements of internal conflicts. The link between these two is most apparent where the economic difficulties experienced by the people transform government supporters into discontented groups. These groups are easily stimulated and provoked by opportunistic politicians and Communists to go against the government.

Economic problems make it more difficult for governments to fulfil the basic needs of the people, to assure equal distribution of income, equal opportunity in obtaining education, in participating in national development and in obtaining justice. These

requirements are important for the enhancement of national stability.

Unequal distribution of wealth and development has been mainly resulted from the implementation of free-enterprise western economic systems which are concentrated in the urban areas. According to T.B. Millar, national development strategies, which are aimed at rapid economic growth with the emphasis on urban-based industrial development and the adaptation of advanced technology in the context of a free enterprise system, have widened the gap between urban and rural areas and between the elite and the ordinary masses.¹

The elites are virtually concentrated in cosmopolitan urban areas. They have been exposed to western lifestyles, education and thinking. Their social interests, economic status and patterns of thinking are different from the majority of the population which is made-up of peasants, along with urban workers and petty traders. Since the elites are the people involved in the decision making, conflicts over issues of cultural and economic disagreements are inevitable. The ordinary population, which prefers to fight for the survival of cultural traditions including its economic practises, tends to reject the western economic system, western culture and western civilization.

The concentration of development in the urban areas has brought economic deprivation to the rural population. The majority of the people in the region are peasants, fishermen and farm workers. For several centuries they have suffered from feudal exploita-

tion.² Although there is already an increasing trend toward capitalist intrusion into the countryside, landlords still maintain feudal practices in dealing with their workers. Thus, unequal distribution of wealth and development occurs not only between the urban and the rural areas but also within the rural area itself.

A severe shortage of opportunities for employment, the lack of credit facilities, an inadequacy of institutional infrastructure resulting from the unequal distribution of development leads the rural population to think that it has been deprived, discriminated against and degraded. The feeling of frustration has led many rural youths to migrate to urban areas, thereby transforming rural problems into urban problems. The large influx of population from rural to urban areas has caused over-crowding, low quality of life and increased unemployment. Such problems create a psychological atmosphere of frustration which can easily cultivate the seeds of severe political vio-

²Francisco Nemenzo & Castro Nestor, "Synthesis Report of the Cluster on Social Conflict," *New Asian Vision*, vol. 4 no. 2 (Quezon City: Third World Studies, University of the Philippines, 1987), p. 55. "Class conflicts are real in day to day life in SEA (Southeast Asia) granting the region's pyramidal class structures. A very small minority within these countries own a big majority of their nation's wealth while the majority of these populace live on the poverty line or below it. Obviously, political power is also monopolized by a few families many of them descendants of the first collaborators to the colonizers. Because of the predominantly agricultural nature of SEA, with the exception of Singapore, the majority of the peoples of the region are peasants, fisherfolk and farmworkers. For several centuries, they have suffered from feudal exploitation. Although there is already an increasing trend towards capitalist intrusion of the countryside, landlordism is still a prevalent problem. Most land-owning capitalists still maintain feudal practices in dealing with their workers."

¹T.B. Millar, *International Security in the Southeast Asian and Southwest Pacific Region* (St. Lucia, Queensland: University of Queensland Press, 1983), p. 145.

lence. This in turn may become worse through the effects of social mobilization, either through the growth of mass education or mass public information, irrelevant economic policies, uncontrolled monopolies, unplanned industrial structures and so forth.

These latter problems can be linked with the colonialist's role in the earlier stage and later with the presence of multinational corporations and foreign finance capital, predominantly controlled by the United States through the International Monetary Fund (IMF) and the World Bank. The role of foreign power in the states' economic systems has been further strengthened by practices of crony-owned monopolies.

The ASEAN states produce a major portion of some of the world's most essential natural resources. These states provide 82 per cent of the world's production of natural rubber, 70 per cent of tin, 70 per cent of copra and coconut products, 56 per cent of palm oil and 50 per cent of hardwood. The region's seas and rivers account for a significant share of the world's supply of fish and other marine products.³ The abundance of important resources in the ASEAN group has led to foreign and local exploitation. Monopoly capitalists, mostly foreign, control the major vital natural resources of the ASEAN states. This can be traced back to the colonial past of most of the countries and the unequal treaties dating from the First World. In most cases, the ASEAN states suffer from exploitation with minimal compensation.

The presence of big multinational corporations and the open door policy directly and indirectly imposed by foreign powers come into conflict with genuine local or national

economic development. It hampers the independent growth of the local entrepreneurial class and destroys the development of indigenous capital and industries. As a result the underdeveloped states are highly dependent on foreign capital, and the poverty-stricken populace are deprived of the benefits of their national wealth.

In many cases the natural resources and large-scale infrastructure and development projects are located in tribal areas and hence threaten these people's economic, social and political survival. The beneficiaries of these projects are not the local people but the big companies and corporations involved in the projects. These people are left with no option but to defend themselves by resisting their governments over the issue of the protection of their rights as the indigenous people.

Foreign finance capital imposes strict measures on the indebted ASEAN states, and these measures pay little regard to the interests of the rural peasantry and urban workers. This situation is made worse when the exploitation is carried out by local and state-owned monopolies or crony-owned monopolies in collaboration with foreign agencies.

The ASEAN states' relationships with major economic powers, and their geographical location in relation to areas of political and economic importance to the great powers, complicates their internal economic situation. The welfare and economies of these states are largely dependent on the development of satisfactory relations with the major economic nations. According to David Vital, unsatisfactory relations between the states in the region and the major economic powers can lead these economic

³Ibid., p. 80.

powers to employ economic pressure on them. Economic pressure in turn can help to impoverish the people, making their private life difficult, starving them, and reducing their comfort or their fortunes. In this difficult situation, the people's attitude towards and trust in their government may be altered.⁴

These economic pressures are applied by limiting the markets of the ASEAN states' exports, denying of shipping and other transport facilities, blocking accounts, freezing credits, withdrawing technical assistance, banning investment, applying embargoes on supplies and prohibiting travel and communication.⁵ As a result, these pressures increase the complexity of ASEAN states' international trade. The employment of economic pressure is used as a political instrument in changing the attitude and the behaviour of these states' foreign policies. It is especially aimed at states that have conducted their foreign policy in a manner regarded as detrimental to the interests of these economic powers.

National Unity

Internal order is also partly dependent on the achievement of some sense of national unity, but in the case of the ASEAN states this is complicated by the fact that Southeast Asian peoples are multi-ethnic in character. Various ethno-linguistic groups can be found throughout the region with each one

having its own distinct ethno-history, culture, language, religion, socio-economic and political structures.⁶

As a result of their multi-ethnic populations, the ASEAN states are confronted with problems of fragmentation along ethnic, religious, class and ideological lines. These problems have led to clashes in the form of communal and race conflicts. The composition of the population into many different ethnic and religious groups results in a wide variety of value systems and moral injunctions. It is difficult to accommodate and to integrate all these ethnic groups because of a mutual inability to understand each other's values. The integration of the ethnic and religious minorities with the dominant group is unlikely to happen because any attempt at building a national identity, especially one that is oriented towards that of the dominant group, will be misinterpreted as a threat to the identities of other groups.

There are two types of problem concerning minorities. The *first* type of problem is discriminative government policies on minorities which have resulted in increasing the resistance of the minorities against the government. The government bias against the minority is usually manifested in its non-recognition of minorities' customary laws and its imposition of other repressive laws to

⁴David Vital, *The Inequality of States, A Study of the Small Power in International Relations* (Oxford: Clarendon Press, 1967), p. 95.

⁵M.W. Zacher & R.S. Milne, *Conflict and Stability in Southeast Asia* (Garden City, New York: Anchor Press/Double Day, 1974), p. 197.

⁶Francisco Nemenzo & Castro Nestor, "Synthesis Report," p. 63. "Some of these ethnic groups have asserted themselves into distinct nationalities such as the Thais, the Mons and Khmers of Kampuchea, the Burmese, Karens and Shans of Burma, the Vietnamese, the Javanese of Indonesia, the Malays and the Chinese, etc. Others have developed nations composed of various ethno-linguistic groups with a common cultural tradition such as the Bangsamoro of the Philippines composed of the Maranaos, Maguindanaos, Tausugs, Yakans, Samals, Palawanis, Jamamapuns, Melebuganons, Badjaos and other Muslim groups."

limit their religious activities, economic opportunities and social benefits.

In some circumstances a divide and rule strategy is the cornerstone of the established government's handling of the minority problem. The central government gives concessions to the majority people to get political support, at the expense of the minorities. Such is the case of national government programmes encouraging settlers from the majority population into the land of the indigenous minority people.⁷ Hence, the struggle of these minorities against their government is aimed at acquiring a fair share of economic and political opportunities and defending their religious, cultural, linguistic and ideological interests. By forming their own political parties, opposition movements, militant religious groups and other resistance groups, the minorities can institutionalize their causes.

The existence of party political divisions along ethnic lines in some ASEAN states is an important phenomenon in the escalation of communal conflicts. In the domestic struggles for economic and social reform and the mundane party political struggles, especially during periods of economic failure and political disruption, ethnic political extremists like to seek foreign help, thus creating another means by which domestic

conflicts can have international ramifications.

Other reactions of minority groups being subjected to discrimination and oppression range from liberation movements to armed separatism.⁸ These courses of action depend to a large degree on how strong their ethnic consciousness is. Some, with a weaker sense of attachment to their ethnicity, become vulnerable to the dominant group's ploys by completely turning their back on their ethnic origins or even denying their ethnic identities. Others, who have a stronger ethnic or even national consciousness, have been relatively successful in forging a strong unity within their group so as to thwart oppression and discrimination.

The *second* type of problem is the domination of economic power by minorities from alien origins which has resulted in resentment and envy on the part of the indigenous people.⁹ The degree of such resent-

⁷Masashi Nashihara, *East Asian Security and the Trilateral Countries* (New York: New York University Press, 1985), p. 154. The root cause of the problem of the tribal minorities in Thailand for instance, is the growing scarcity of resources especially land. The scarcity of land has resulted in encroachment of the lowlands to support the livelihood of the tribal people. The Forest Conservation Policy of Thailand which was against the cultivation of opium led the Mhongs to resort to violence in the 1960s. The general lack of a channel of appeal against such government policy encourages them to get support from the Communist groups.

⁸*Far Eastern Economic Review*, 18 April 1986, p. 14. This can be related to the case of the political complexion of Fretilin and its ascendancy in East Timor where the danger of Communist subversion and obstruction in the group will remain. The crucially important problem in East Timor is caused by the inhabitants' feeling of their homeland being annexed. The Indonesian rule in East Timor is regarded by them as a "foreign-government." "A decade after the brief civil war that precipitated the integration of the former Portuguese Timor by Indonesia as its twenty-seventh province, remnants of the territory's two main nationalist movements have joined forces in their struggle against Jakarta." It was announced in late 1986 that the Revolutionary Front for an independent East Timor (Fretilin) which continued to wage an on and off guerrilla campaign against Indonesian forces, and the Timorese Democratic Union (UDT), which represented a more conservative group, were engaged in joint initiatives on both the diplomatic and military fronts to further their demand for self-determination for East Timor.

⁹T.B. Millar, *International Security*, p. 152. In Indonesia, the Chinese minority poses an economic threat

ment and envy is governed by each individual state's experience and in this respect, cultural differences between the states gave rise to differing degrees of acceptance of such minorities.¹⁰ The problem can be linked

to the indigenous Indonesians. Most of them are economically strong and they control some of the important economic sectors of the country. Their activities in the economy have long been protested at and the government has implemented a policy of promoting the economic interests of the "economically weak-groups," meaning the indigenous. The resentment and "deep-seated prejudice against the Chinese exists and occasionally manifests itself in anti-Chinese riots."

¹⁰Alien minorities were brought in to serve the needs of the administration and economy of the colonials. The presence of these alien minorities, especially the Chinese who have a lot of economic ability, has caused a feeling of frustration and resentment on the part of the indigenous people as their own opportunities and wealth had been given to the alien minorities by the colonials. According to Michael Leifer, "Conflict and Regional Order in Southeast Asia," *Adelphi Paper*, no. 162 (1980), p. 9. "the degree of such resentment and envy was governed, of course, by individual state experience and, in this respect, cultural differences between regional states gave rise to differing degrees of acceptance of such minorities. For example, ethnic Chinese were more readily accepted into the Buddhist societies of Thailand and Kampuchea and into Roman Catholic society of the Philippines, but they experienced a strong measure of social rejection in Malaysia and parts of Indonesia where Islam was the dominant region." The conflicts between the Chinese minorities and the dominant groups of Thailand and the Philippines is not so serious compared to other ASEAN countries such as Malaysia and Indonesia. Michael Leigh, "Brunei Darussalam: The Fruits of Independence," *ASEAN Papers*, no. 10 (Quezon City: Third World Studies, University of Philippines, April 1986), p. 4. "At independence, some 30,000 Chinese lost their status as British protected persons and became officially stateless. The Bruneis seem quite unconcerned and managed to reject almost all Chinese application for citizenship, using the time-honoured technique of a language test. To those who are envious of Chinese economic success, in a politically supplicant position." Prince Mohamed (the Sultan's brother and a senior Minister) spelt out the

to the presence of alien minorities who, during the colonial period, were brought into the states or encouraged by the colonial powers to migrate, to participate in the states' economic development, hence benefiting the economy of the colonial powers. This group of people who were given more opportunities to be exposed to management and other skills than the indigenous people, managed to secure their economic fortunes when the colonial powers left.

In some areas, these alien minority groups were entrusted with political power to such an extent that they were able to implement policies to increase their population ratio and thus finally transform the dominant group into a minority. The government, monopolised by the alien majority is biased against the indigenous minority people, and this is manifested by the government declaring their land to be a public domain, practically making them squatters, by imposing the alien dominant group's beliefs mainly through education and amending several laws and policies contrary to the indigenous minority's beliefs and aspirations.¹¹

responsibility of Chinese to help Malay businessmen. "They are in the high levels of business and their high standard of living was due to Brunei's prosperity and he hoped the Chinese appreciated this." *Borneo Bulletin*, 13 November 1982.

¹¹T.B. Millar, *International Security*, p. 153. Singapore appears free from minority conflicts as a result of the various factors in the political development of the country. The government is monopolised by the dominant ethnic group of Chinese and is capable of controlling the activities of the minorities of Malays. Unlike the other ASEAN states, the indigenous population of Malays in Singapore has finally become the minority. Consequently, the degree of feeling of being discontented and deprived of the Malays is high as they lost their political and economic right to the alien majority of Chinese. The government of Singapore is conscious of the threat of the Malays as the Malays are not far

Political Participation

Several Southeast Asian states have experienced struggles by various groups for fuller political participation. Such struggles involve attempts by individuals who are politically conscious to influence the behaviour of the government. They believe that the implementation of government policies in the future will have a direct bearing on their way of life and so wish to have greater access to their country's main decision making structures.

Economic progress and social mobilization have increased the awareness of the people of their rights to political participation. They demand increasing material well-being and insist upon a genuine rule of law and a wide spectrum of human and civil rights, which reflects the influence of the transplantation of western-style democracy.

In some ASEAN states the respective political power is dominated by just one strong government party, with its strength backed by the military or by strong charismatic qualities of the party leadership. This has significance in blocking the internal cohesion of other parties and reducing their strength, hence rendering the partisan parliamentary opposition ineffective.¹² The role of making political checks and balances has

away from their brothers in the neighbouring countries of Malaysia and Indonesia, and thus their Malay consciousness is easily kept alive. In order to prevent any further threats, the government imposes a national policy which discreetly prevents the integration of the Malays in Singapore. It has manoeuvred successfully in preventing candidates of the Malays minorities who are ethnically oriented from being elected. The Singaporean leadership's strict adherence to meritocracy, which places the Malays at an obvious disadvantage because "the isobars of socio-economic backwardness generally coincide with those defining the Malay community."

¹²The partisan parliamentary opposition is generally effective among Southeast Asian states today, as conse-

been largely assumed by various extra-parliamentary interest groups such as students and segments of the intellectual community, the press, the military, religious and ethnic groups and the Communists. If these groups try to make it impossible for the government to govern and to erode the confidence of the people towards the ruling party, they can adversely affect political and economic stability.

Students, for instance, have tried to act as an important political force. Their actions distract public attention from the issues of poverty, better working conditions, higher wages, power abuse, economic mismanagement or other issues. However, as a pressure group characterised as immature, extremist, dogmatic and not possessing full knowledge of the background of national problems, their political involvement has political ramifications. They can be easily manipulated by Communists and inspired and used by political opportunists. As a pressure group, the capacity of students is limited and any attempt by them is a far cry from the seizing of political power or toppling of the government.

Facing numerous political and economic difficulties, the governments in the ASEAN states cannot afford to practise full rights of political participation. This is manifested by their imposition of various restrictions such as restrictions on student political involvement, on press freedom, on freedom of information, freedom of expression, etc.¹³ Although these restrictions have damaged

quence of the system of the dominant "government party" which is commonly found in the region such as GOLKAR in Indonesia, the PAP in Singapore. The degree of internal cohesion and strenght of such government parties varies. *Asiaweek*, 4 March 1988, p. 8, stated that the PAP holds 77 of 79 seats in Parliament.

¹³*Far Eastern Economic Review*, 26 June 1986, p. 16 and 3 July 1986, p. 27. In Singapore the most fun-

the democratic values of the states, they have helped maintain stability and prolong the respective government in power. However, such tight restrictions have also limited the political participation rights of the people and have to a large extent, resulted in the growth of anti-government feeling.

Political Succession

Political succession does not create a problem for the political process if the transfer of power can proceed smoothly and

damental and controversial of such laws is the Internal Security Act (ISA) of 1963, under which the executive has vast powers to curb subversion and fight security threats. The act empowers the government to prohibit the printing, publishing, circulation and possession of any material deemed prejudicial to the internal interest, public order or society of Singapore. The Sedition Act of 1964 prohibits speeches and publications with "seditious tendency." The undesirable Publications Act of 1967 authorises the government to ban a publication considered "contrary to the public interest." In the situation where the Communists are no longer a threat, while issues of race, language and religion are under control and the people are now better educated, such tight control of the freedom of press in Singapore is quite unbecoming. A sense of political awareness of Singaporean society seems to have increased after nearly three decades of rule of the People Action Party (PAP) in Singapore. The foundation of a Law Society in March 1986 was rejected by the government on the excuse of avoiding any manipulation or exploitation by certain individual and political opportunities, from both internal and external sources for their own political ends. In fact, the government realized that the organizations had wide implications in the political development of the country and worried that the organizations possibly representing the whole Singaporean society to fight for the rights of the people. The Law Society was a legal and professional organization. To fulfil the function of assisting the government and the courts in all matters affecting legislation, of helping the nation in various ways either in legal aids, charitable efforts and law reforms and revision, it would be an important pressure group on the government and vital in influencing the shape of the nation's constitutional and political development.

constitutionally in accordance with democratic principles. The problem of political succession exists when leaders are reluctant to relinquish power to their successors and thereby abuse their power by manipulating the democratic procedures to remain in power longer.¹⁴ Such undemocratic practices, for instance, can be carried out by the government forming artificial opposition parties which are ineffective as channels for representation of opposition interests. The weak opposition parties will not have any significance for the transition of political power. The states enjoying the greatest stability are not only determined by one legally elected party but helped by the absence of the ethnic problems and by favourable economic growth. The legally elected party whose grass-roots support is strong, helps the leaders to resume complete control over the political situation.

In most of 1980s, almost all of the ASEAN states have been confronted with the conflicts of unpredictable political succession, often caused by the virtually permanent rule of the contemporary leaders of those states. Their reluctance to relinquish power is probably due to the availability of numerous political and economic advantages and benefits which are available not only for themselves but also for their cronies. The permanent rule of strong leaders may, however, make some contribution to maintaining political stability. Due to their long stay in power these leaders have the advantage of experience, especially in handling their political opponents and coping with problems

¹⁴Masashi Nishihara, *East Asian Security*, p. 55. He stated that, among the current leaders of East Asia, only the leaders of Singapore and Malaysia acquired and retained office through free elections. All the rest have done so by martial law, coup d'etat, revolution, heredity, or some untransparent procedure, although many of them have subsequently used general elections to shore-up their political legitimacy.

related to attempts to overthrow their governments. With the backing of their strong economic position, these leaders are able to increase the numbers of government supporters and to strengthen the security of their hold on power. The popularity and credibility of these leaders have also been strengthened by the establishment of a good economic and political relationship with the neighbouring countries.

The permanent rule of strong leaders who are associated with authoritarian systems complicates the problem of political succession. Such rule is invariably regarded as having less social justice. It may unwittingly transform the leader of the ruling government from a minor despot to a leader with great-power aspirations. Overwhelmed with their own power, such leaders like to promote domestic, economic and social policies to suit their objectives which unavoidably creates popular irritation against the government. A high anti-government feeling will lead the people to call for political reform and a change of leadership which can lead to revolutionary social challenges.

The transfer of power can be carried out legally and smoothly in states which adhere to their constitutions. Most importantly the constitution must specify its democratic procedure for choosing political leaders. The changing of leaderships by the implementation of either martial law, coup d'état, revolution or some untransparent procedure has often meant the involvement of the military in the political succession process. A dominant role played by the military in the succession process will inevitably harm the running of the democratic political system.¹⁵

Three types of military rule can be identified. *First*, the military takes over complete state power by replacing democracy with military rule. *Second*, the military plays a dominant role in backing the civilian government. Military rule is imposed at an early stage for the purpose of restoring order. When the parliamentary system is reactivated the military continues to play a dominant part in supporting the new democratic government. *Third*, the government is led by military personnel who dominate the parliament. This is made possible by the military forming a camouflaged political party, and in the general election that occurs ensuring that the party wins. Such a system has curbed the legal healthy growth of political parties and significantly reversed the democratic process.

The External Dimension

Problems in the areas of national economic development, national unity, political participation and political succession, may have external inputs which function as a complicating factor for internal problems. Domestic stability is not only protected by military guarantees but also economic security. There are some external economic forces, however, consciously or otherwise, undermining the economic security of the region, and these have significantly affected the ASEAN states' economic systems and caused great hardships to their people. People who are frustrated economically are the forces behind political instability.

¹⁵ *Asiaweek*, 27 Juli 1986, p. 22. The military plays a dominant political role in the succession process in Thailand. She has a long tradition of parliamentary

politics interrupted by coups and periods of military rule. In 54 years of parliamentary politics since 1932, Thailand has totted-up sixteen coups (successful and unsuccessful) sixteen prime ministers, 46 governments and thirteen constitutions.

The major external economic forces which are interrelated in complication the ASEAN states' economic problems are the acts of the IMF and the World Bank as major agents of the leading capitalist powers in protecting the interests of financial institutions or TNCs, the international monopoly on the terms of trade in the market for traditional exports, the growth of protectionism and so forth. The acts of the IMF and the World Bank have disrupted the states' economic systems,¹⁶ whereas the other factors have worsened the states' economic performance.

Naturally, the involvement of international economic institutions in the regional states' economic activities is crucial to their economic progress. For instance, foreign investments provide needed capital (savings), transfer of technology (including managerial and technical skills), improve the balance of payments (exports and capitals), generate employment opportunities and so forth.

Another effect of the role of such external agents in Southeast Asian economic activities is to intensify the process through which the regional states become incorporated into the world capitalist system and through which foreign influence in their national economic policies increases. Ignorance on the part of these agents of the important roles played by the traditional economic system adds to the difficulties that

regional states have in selecting their own developmental models and tends to keep them under the domination of colonial forces.¹⁷ Their failure to evolve their own developmental models suited to their specific economic requirements makes the fulfilment of the basic needs of their people more difficult.

Foreign economic institutions concentrate their economic activities in states whose economic policies offer them the maximum advantage. The constitutions and political structures of some states in the region allow their industrialization process to take place under the aegis of TNC monopoly capital. The TNC's domination of those states' industrialization enables it to achieve its maximum profit targets by exploiting the available cheap labour resources, thus to some extent jeopardising the expectations of the workers to fulfil their basic needs and the effort of the government to improve its overall economic performance.¹⁸ Indeed, labour unrest against imperialism has increased in recent years.

¹⁷A.R. Magno, "Toward Paradigm of the Southeast Asian State Foundation," *New Asian Vision*, vol. 4, no. 2 (Quezon City: Third World Studies Centre, University of Philippines, 1987). "The presence of big multinational corporations in the ASEAN and the open-door policy directly and indirectly imposed by foreign powers come in conflict with genuine local or national development. It hampers the independent growth of the local entrepreneurial class. It destroys the development of indigenous capital and industries. It brings excessive exploitation to each country's rich natural resources. Thus, the results are underdeveloped countries highly dependent on foreign capital and poverty-stricken populace deprived of the benefits of national wealth."

¹⁸For further information about the role of neo-colonial industrialization, see "Philippine Labour and the Deepening Crisis," *Contemporary Asia*, vol. 14, no. 2 (1984), pp. 244-247.

¹⁶Paul Lewis, "World Bank and IMF Take More Than They Give," *News Strait Times*, 12 February 1988, p. 10. ASEAN states are also associated with the Third World countries. "The world's poorest and most indebted countries are beginning to get less in combined aid each year from the World Bank and the IMF than they are paying in interest and principal on outstanding debt to the two organizations." "Third World's debt burden is more than US\$1 trillion with all lenders growing at around US\$40 billion a year."

The repression of labour has also been increased by the World Bank's utilization of the lure of cheap labour in order to bring foreign capital to set up export industries of an assembly nature. Like the TNC's, the World Bank has functioned to integrate the state economy thoroughly into the international capitalist order. Being a financial, technical, technological and supervising source, the World Bank has been able to monitor the major economic activities of the states in which the interests of the metropolitan capitalist nations, notably the USA, can be protected.¹⁹

The other external issue that threatens the regional states' economic progress is the declining world demand for the states' major exports resulting from world fluctuations²⁰ and the rise of protectionism,²¹ which has

¹⁹For further information, see Ma. Theresa Diokno, *The IMF and How It Affects the Filipino People* (Quezon City: Third World Studies Centre, University of Philippines, 1983), p. 36. "Foreign finance capital, predominantly controlled by the US through the IMF and the World Bank, impose strict measures on indebted countries. They take on decisive positions with regard to policy formulation for the economy. The Philippines, as a case, took harsh impositions from these institutions with regard to the granting of a US\$615 million standby credit loan in 1984. Prices of commodities rose several leaps, the peso's value dipped three times in relation to the US dollar, the inflation rate was the highest in 25 years and money wages lagged behind real wage rates. All of these were direct and indirect implications of IMF's prescriptions. On the other hand, the World Bank centered on agribusiness expansion. The government's Agenda for Action in Agriculture for 1984-1985, which followed the bank's prescriptions, runs basically against the interests of the peasantry and the rural workers. It has been criticized by major farmers' groups for benefitting only the big agribusiness corporations."

²⁰The international economy was plagued with prolonged recession during the period 1979-82.

²¹*Staff Memo*, no. 10 (Manila: Centre for Research and Communication, March 1988), p. 1. "American

led to the rapid deterioration of their terms of trade. The ASEAN states' economy (except Singapore) is very dependent upon trade in primary products and is therefore directly affected by the economic difficulties at international level.

The repercussions of the rapidly deteriorating terms of trade in causing lack of capital, curtailment of production, and slow investment as well as sluggish industrial growth or a high rate of inflation, have led to great hardship. The resultant critical shortage of foreign currency has left the governments unable to service their foreign debts. As external indebtedness reached critical proportions, debt service increasingly took a bigger share of the national budget.²² The great economic hardships increase the tendency of many to blame imperialism and capitalism. The resulting political disruptions have eroded international confidence and deterred key foreign economic actors like businessmen, foreign lending banks and international financial institutions, from active involvement in the states' economic activities. The deteriorating economic performance opens up better opportunities for the Communists to advance their cause.

The division of the population of ASEAN states into various cultural, religious or ethnic groups creates continuous domestic strife especially in fragile governments. Struggles among those fighting for their ideological, religious and technical

need to shrink its trade deficit could make it more receptive to protectionist measures. The heavy use of non-tariff barriers (NTBs) which are usually aimed at the major suppliers of goods has directly affected the states."

²²Based on figures presented in *Asian Development Bank's Key Indicators of Developing Member Countries of ADB* (October 1984).

rights tend not to stay self-contained.²³ They may give rise to a form of civil war and racial war, with the dynamics of this bitter activity, especially where ideological issues are involved, encouraging contending internal parties to seek access to external support. Lyon described how states in the region were becoming a zone of rivalry and suspicion among the great powers with great significance for the states' internal conflict. In his view the ideological competition amongst the major powers might fan and magnify these local conflicts even to the point of generating insurgency.²⁴

Generally, insurgency in regional states has largely been related to Communism. As an indigenous disorder, Communism has been a major political force of instability in regional states for more than 40 years, since the authority of the successor governments has continually been challenged by Communist party insurgents. Indigenous Communist parties have often sought access to external Communist support, especially from China.²⁵

Chinese policies towards the ASEAN states have never been free from ambivalence. On the one hand, China's basic concern with regards to regional security is to prevent any state in the area from falling

under hostile influence and/or to exclude any one power from establishing hegemony in the region. This explains its attack on Vietnam in 1979. On the other hand, the Communist Party of China maintains its support for revolutionary movements in the region as part of its strategy of denying the penetration of Soviet influence in the non-Communist governments of ASEAN.²⁶

Chinese military and nuclear power creates a more difficult internal situation in these states. In 1971, the dramatic change of its foreign policies with the visit of Henry Kissinger to China added substantially to China's strategic importance. The implementation of its Four Modernization Plans has given an impetus to its efforts at military modernization. However, China's military and nuclear build-up is still limited in comparison with the other two superpowers. Even though the military threat of China has minimal global significance, with the improvement of its nuclear posture and the strengthening of some of the more vulnerable components of its war fighting capabilities, its threat in strengthening the regional states' Communist movements cannot be dismissed.²⁷

²³Jusuf Wanandi, "Third-World Conflict and International Security Part I," *Adelphi Paper*, no. 166 (1981), p. 16. He stressed that the internal weaknesses of ASEAN may be the result of the troublesome process of gradual or sudden decolonialization, they may arise because of political struggles among various groups whether based on ideological, religious or ethnic groups.

²⁴Peter Lyon, *War & Peace in Southeast Asia* (London: Oxford University Press, 1969), p. 182.

²⁵R.A. Scalapino, *The Communist Revolution in Asia: Tactic, Goals & Achievement* (Prentice Hall-Inc., 1969), p. 4.

²⁶J.D. Armstrong, *Revolutionary Diplomacy: Chinese Foreign Policy and the United Front Doctrine* (California: University of California Press, 1977), p. 138. "The PKI (Communist Party of Indonesia) was important to China for three reasons. *First*, its support was coveted by both sides in the Sino-Soviet dispute. *Second*, it had real influence on the making of Indonesia foreign policy and on Soekarno, especially after leading PKI member Njoto was given an important cabinet position in 1964. *Third*, it appeared to have a good chance of winning power in Indonesia. If for example, China could have assisted in bringing about a PKI victory in Indonesia, this might have greatly increased its prestige vis-à-vis the Soviet Union in the international Communist movement.

²⁷This also can be supported by the statement in *Beijing Review*, no. 3 (1978), p. 15. "The vast majority of

The Islamic resurgence has been a new phenomenon affecting national fragmentation. Islam is becoming an important political force in the states where it is the dominant religion. The Khomeini revolution seems to have stimulated Islamic extremists who may grow stronger in the future if they feel that fundamental Islamic values are getting lost in a state where Islam is the dominant religion. Conservative Islamic extremists, who have worked primarily through their Islamic parties, are attempting to establish an Islamic state. The existence of a competition for influence between Islamic parties and non-Islamic parties has caused disunity among Muslims.²⁸

In states which have Muslim minorities, Islam has become a source of identity and strength for Muslim separatist movements. Their struggles for self-determination have been morally and financially supported by Islamic nations. Libya has provided financial assistance to Islamic movements whose activities are associated with Islamic development.²⁹ Such support is influential in the

overseas Chinese today are still labouring people. They are the masses forming part of the basic forces of the patriotic united front, on whom we must rely. Capitalists only make up less than ten per cent of the overseas Chinese and the overwhelming majority of these are middle or small capitalists. They are also oppressed and pushed around by imperialists, colonialists and monopoly capitalists. We must win them over and unite them. With their destiny closely linked with that of the motherland, the vast majority of the overseas Chinese are patriotic."

²⁸Francisco Nemenzo & Castro Nestor, "Synthesis Report," p. 78. "In Indonesia, at present, the only organized force that contends Soeharto's leadership are the radical Muslims. Indonesia is a predominantly Muslim society, with Islam being practised by 85% of the population."

²⁹Ibid., p. 73. "In Thailand, the conflict between the Thai government and the liberation groups in the

continuation of strong Islamic nationalism among these minorities, and has remained a problem for the governments' effort to promote national unity.

Problems in the area of political participation have less important external linkages but there is an indirect external role. Abuse of democracy by some governments as a means to maintain power has caused protests from international human right bodies and from the mass media which have affected the image of the government. In such circumstances, political disruption can cause capital flight if the key foreign economic actors reverse their decision from active involvement in the states' economic activities. Political participation would also have international repercussions if the limited access of political participation was used by discontented groups to ask for foreign help against their governments in their struggle for racial, religious or ideological causes.

The ASEAN region has become more important geostrategically for the major powers. External involvement in ASEAN states' internal affairs is due to the region's geopolitical importance, its economic challenge, its rich supplies of critical materials and cheap manpower, the increase of foreign investments and market opportunities, the ideological competition among the major powers and the challenge of their global rivalries.

greater Pattani region could be interpreted from many angles. It could be viewed as a religious conflict between the Buddhist Thais and the Muslims of Southern Thailand. Or, it could be seen as an ethnic conflict between the Thais and the Malays." Lim Joo Jock and S. Vani, *Armed Separatism in Southeast Asia* (Singapore: Institute of Southeast Asian Studies, 1984), p. 251. "There have, for instance, been allegations in the Thai press of Palestinians giving military instruction to Malay-Muslim guerrillas in the Southern provinces."

There are two important forms of great power competition in the region; *one*, between the Soviet Union and the United States and *two*, between China and the Soviet Union. The competition of power between China and the Soviet Union has also had an ideological component which has significance in worsening national fragmentation. However, the competition of power between the United States and the Soviet Union has consequences for the regional states' succession system. The region is one of the important areas where the Soviet Union is actively challenging the United States, both of whom have powerful military capabilities.³⁰

The American presence in the region is important for the protection of her economic interests, which can be protected by her military and political influence in the region. The U.S. has sponsored the creation of a broad United Front including Japan, China and the ASEAN states. This use of American military power has intensified Moscow's activities in espionage where it has targeted certain discontented groups.³¹

However, the United States has been more accepted as a regional ally than the Soviet Union. As a source of aid, financial

loans, technological transfer and foreign investment, the United States has played a critical role in determining the prospects for the economic and political development of the ASEAN states. The retention of air and naval bases in the Philippines suggests that America's strategic involvement will remain in the region.

Given its immense economic power, the leadership of ASEAN states has little alternative but to be pro-American.³² The support of the United States for pro-American governments at the request of their leaders as a means to cope with their states' domestic unrest could possibly lead to American military intervention. The United States has sought to prevent the overthrow of pro-American governments whatever their internal characteristics are, in order to prevent those leaders from becoming Communist or from turning to Communist powers for similar aid. Normally, external intervention has led to an increased defence spending by regional actors as part of a sustained effort to develop the military capacity to meet any threat against their authority.³³ The increased defence spending would inevitably take a bigger share of the national budget, which has economic and political ramifications.

External intervention in certain circumstances might lead to the creation of an authoritarian regime. An authoritarian

³⁰For further information, please refer to Masashi Nishihara, *East Asian Security*, p. 5.

³¹William T. Tow & William R. Feeney, *U.S. Foreign Policy and Asian Pacific Security* (Boulder, Colorado: Western Press, 1982), p. 127. D.J. Armstrong, article on *The Soviet Union in Chinese Defence Policy*, Gerald Segal and William T. Tow, eds. (London: The Macmillan Press Ltd., 1984), p. 189. "A major Chinese preoccupation has been with the threat of Soviet subversive activities, especially amongst the minority nationalities. One of many articles on this theme accused the Soviets of sending in secret agents to commit sabotage and buying national splittists to be their lackeys."

³²M.W. Zacher and R.S. Milne, *Conflict and Stability in Southeast Asia* (New York: Anchor Press, 1974), p. 107. "Economic aid has played a key role in this respect, but its allocation is no sure guide to the success of collateral diplomatic intervention designed to change governmental policy. The giving of aid in such circumstances may be construed as the art of political seduction through appropriate benefaction."

³³*Ibid.*, p. 193.

regime is invariably regarded as having less social justice and creates uncertainties through not having followed democratic principles, thus further complicating the political succession process. Furthermore it could produce a minor despot with great power aspirations in the region. In the process, the regime "intoxicated with his own

power, surrounded himself with sycophants, encouraged corruption that become pervasive, promoted domestic, economic and social policies to suit his own purposes."³⁴

³⁴Micheal Nacht, "Third-World Conflict and International Security Part I," *Adelphi Paper*, no. 166 (1981), p. 52.

ASEAN and the Pacific Cooperation: The Economic Dimension

Hadi SOESASTRO

Introduction

IN a paper written a few years ago, entitled "ASEAN and Pacific Basin Cooperation: Where Do We Go From Here?" I suggested that ASEAN urgently need to pose to itself the following question: "Where does it want to go and how does it want to relate itself to the broader Pacific region?"¹

In my view, ASEAN had six policy options then. The *first* option is for ASEAN to continue with its present mode of cooperation on a more or less ad hoc basis, which focuses on areas in which member countries clearly perceive a common interest and a

mutual benefit. The usual argument in support of this "business-as-usual" attitude is the lack of the necessary degree of political will on the part of member countries to engage in a more structured economic programme which is supported by some greater institutional integration. The opposing view has argued that ASEAN's pragmatic approach to cooperation has led to no substantial progress in economic cooperation and may gradually reduce ASEAN's relevance not only to ASEAN itself but also to its economic partners.

The *second* option is for ASEAN to begin to formulate a definite plan to promote greater economic integration among its members, even though this plan's implementation would be gradual. The point is that the mere existence of a blueprint would help in the efforts to mobilise the necessary political support in each of the member countries towards more substantive economic cooperative action programme. The reservations on taking such direction rest on the uncertainty as to whether greater eco-

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¹Paper presented at the "Conference on Regional Development and Security: The Ties that Bind," the 2nd Meeting of ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS), organised by ISIS Malaysia, Kuala Lumpur, 12-16 January 1986.

conomic integration would make ASEAN a stronger economic unit.

A *third* option is for ASEAN to strengthen its machinery even in the absence of the blueprint conceived above. At this stage, ASEAN's lack of progress may be rectified to some significant effect simply through efforts to strengthen its organisation's structure, including its Secretariat.

The *fourth* option also involves only marginal improvements and focuses on efforts to strengthen the mechanism for the ASEAN Dialogues with its main trading partners and to elevate this programme to become the centrepiece of ASEAN's activities. The emphasis on ASEAN's external relations has been quite successful in the politico-diplomatic field but in the economic field it may bring significant results only if ASEAN develops its own intra-regional economic cooperation.²

A *fifth* option is to introduce a "Pacific focus" in most of the major ASEAN economic cooperation programmes. This means that the wider Pacific market -- rather than the limited ASEAN internal market -- should be made the focus of ASEAN economic activities. The realisation of this policy option need not involve formal arrangements with other Pacific countries. However, this may require some kind of a mechanism that can sufficiently assure an effective "Pacific input" into ASEAN's activities.

The *last* option is to integrate the ASEAN economies into a Pacific regional economic structure. I proposed then that this

option might be considered irrelevant but nevertheless should be kept in mind.

It seems to me that ASEAN has not given any emphasis on any of the last two options listed above when deliberations were made in preparation of the ASEAN Third Summit in December 1987, which indeed was aimed at formulating new directions to enhance ASEAN economic cooperation. Nonetheless, ASEAN has come to realise the importance of the wider Pacific region to its development. As stated in the joint press statement at the end of the Third Summit: "The Heads of Governments noted certain changes around ASEAN that open up opportunities and challenges for their countries, including the modernisation programme of China, the rise of the Newly Industrialising Countries of East Asia, the increased involvement of the Soviet Union and the other Eastern European countries in global economic issues, Japan's emergence as the leading supplier of capital, and the growing perception of the Pacific rim as the 'region of the future'."

The annual ASEAN post-ministerial conferences (PMC), known as the six-plus-five meetings, perhaps have been introduced too prematurely in 1984 and therefore, they have not led to the establishment of a real forum for Pacific regional economic consultations. Nevertheless, some "Pacific focus" has crept into ASEAN's outward policies. The recent Hawke initiative, that resulted in the establishment of APEC (Asia Pacific Economic Cooperation) as a series of informal consultations at the ministerial level, will definitely sharpen ASEAN's "Pacific focus" in the years to come.

The discussion that led to the formulation of the above six policy options may have

²See e.g., Hadi Soesastro, "ASEAN-US Economic Relations: Long Live Politics," paper presented at the Fourth ASEAN-ISIS Conference on "ASEAN-United States Relations: Problems and Prospects," Singapore, 27-30 June, 1988.

been overtaken by time now. Meanwhile, the Pacific region has undergone dramatic changes, economically and otherwise, which definitely affect ASEAN's economic development today and in the future. Today, ASEAN main task is perhaps two-fold. Firstly, it needs to define its place in the emerging Pacific regional economic structure. Secondly, it needs to examine the kinds of Pacific regional economic cooperation arrangement that could promote ASEAN's role in the regional economic structure.

This article will first discuss the nature and underlying factors of the emerging Pacific regional structure. It then focuses on ASEAN's role and position in a Pacific regional production structure.³ The conclusion of this article briefly addresses the challenges to ASEAN in a Pacific regional economic cooperation arrangement.

The Emerging Pacific Regional Structure

The Pacific Basin is a region of great diversities. It is a heterogeneous region in so many respects: cultural, religious, political, economic, social, and even geographical. In the widest sense of its definition, this region virtually covers "half the world": its eastern boundary is the Arch of St. Louis, its western boundary is the western end of the Great Wall of China, its northern boundary is Borrow, Alaska, and its southern boundary

is Punta Arenas, at the lower tip of Chile.⁴ As aptly described elsewhere, this region "would surely be one of the most amorphous regions in the world."⁵

Even within a narrow band of economic indicators alone, the region's diversity is immediately obvious (see Tables 1 and 2). The region includes countries of extremely different sizes and levels of economic development. The implications of this diversity for regional economic cooperation cannot be underestimated. And yet, a regional structure of sorts is emerging in the Pacific.

It should be noted that the geographic definition of the region is often conditioned by the perceived nature of the emerging regional structure. Rather than strictly based on geographic considerations the definition of a region is often based on functional considerations. And inevitably, each such functional region has its own core or "core members". The emerging Pacific region should be seen primarily as a functional region, which in the course of time could cover almost all of or the entire geographic region concerned. In the process, its "functional" definition might also be compromised, depending on the strength and cohesion of the core. A weak core would in all likelihood prevent the emergence of any regional structure, or if one could emerge it would only be short-lived. Although the region's diversity may pose a great obstacle to the formation of a strong core, it may as

³The question of regional trade structure has been discussed in Hadi Soesastro, "Prospects for Pacific-Asian Regional Trade Structures," in Robert Scalapino et al., eds., *Pacific-Asian Economic Policies and Regional Interdependence* (Berkeley: Institute of East Asian Studies, University of California, 1989), pp. 308-28.

⁴Gerald W. Fry, "The Pacific Challenge: A Transnational Future," *Asia Pacific Community* (Summer 1983), pp. 36-37.

⁵Norman D. Palmer, "Security Dimensions of Pacific Basin Cooperation," in Roy Kim and Hilary Conroy, eds., *New Tides in the Pacific -- Pacific Basin Cooperation and the Big Four (Japan, PRC, USA, USSR)* (New York: Greenwood Press, 1987), p. 147.

well constitute the region's greatest asset: economic complementarities, for instance, could form the basis for the creation of strong cores.

Harlan Cleveland has rejected the notion that the emergence of the Pacific Basin as a region could be rooted in geopolitics. Instead, he sees its emergence as a result of the thickening web of economic interdependence. Economic interdependence can be defined as a result of or can be reflected in intensive economic interactions that bring about closer and stronger ties in trade, technology, and capital. The theory is that such ties would serve to multiply connections and would in turn tend to force governments and the private sectors to co-ordinate their actions.

In the Pacific Basin, such growing economic interdependence is now clearly discernable in the Western Pacific and North America, or what can be called the PECC region.⁶ Trade interdependence (see Tables 3 and 4) among these countries is most pronounced. However, the intensive interactions can also be observed in the financial and investment areas. The ties that have developed among these countries are not the cause for, but they merely are the symptoms of, the emergence of a regional order. Of fundamental importance to the emerging structure is the fact that the countries concerned have been drawn together by economic factors. Nathaniel Thayer sees this as

⁶PECC now includes the ASEAN countries, China, Chinese Taipei (Taiwan), Korea, Japan, Australia, New Zealand, the Pacific Island Nations, Canada, and the US. In the near future PECC will decide on how to bring in Mexico, Chile, Peru, Colombia, Ecuador, and the USSR into the organisation. However, it is likely that the original PECC members will remain the core of a Pacific regional structure.

the most important feature of the "new international order" that has emerged in the Pacific.⁷ He argues that usually military security is at the heart of any international order and suggests that this is not the case here.

Economic interdependence traditionally exists only among industrialised countries. Studies on economic interdependence have been focused largely on relations among developed countries.⁸ The nature of economic interdependence in the Pacific is perhaps rather unusual in that it encompasses not only the developed economies but also a group of newly industrialising and developing economies. Indeed, the countries that constitute the "core" are among themselves very heterogeneous, not only in their levels of economic development but also in many other respects. This phenomenon deserves explanation. In the end, economic interdependence exists because the respective states allow it to develop. In other words, interdependence derives from policy.⁹

Economic interdependence and economic growth in the Pacific region can be seen as two sides of the same coin. On the one hand, this may suggest that the nature of the existing interdependence can best be understood through an examination of the sources and mechanism of growth in the region. On the other hand, the great and

⁷Nathaniel B. Thayer, "The United States, Japan, and the Emerging East Asian Order," *SAIS Review*, vol. 4, no. 1 (Winter-Spring 1984), pp. 1-14.

⁸See, e.g. Richard N. Cooper, *The Economics of Interdependence: Economic Policy in the Atlantic Community* (New York: Columbia University Press, 1968).

⁹Peter Gourevitch, "The Second Image Reversed: The International Source of Domestic Politics," *International Organization*, vol. 32, no. 4 (Autumn 1978), pp. 881-912.

serious strife for economic growth may provide the justification for accepting the fact of interdependence, particularly by the developing countries in the region. Interdependence is not without cost. Although economic interdependence has not made the nation-state obsolete, as is often believed, it does constraint the freedom of action of governments and thus, it may have a significant effect upon internal political processes.

Any examination of the region's economic growth over the past quarter century cannot possibly ignore Japan's role as the region's main engine of growth. The United States equally is an important growth engine, not only for the region but also for the entire world economy. As seen in Table 2, the US economy is still about twice the size of the Japanese economy and it has become the major market for the export of manufactured goods from the countries in the region.

The pattern of interdependence in the Pacific, which exhibits both competition and complementarity, appears to be conducive to the development of a peculiar and dynamic division of labour. This so-called "flying geese" pattern implies that the region as a whole can progress by following the lead countries, namely the United States and Japan. This pattern of development is seen to have been facilitated by the region's diversity and because of labour allows each country to exploit its comparative advantage.

One could argue that the regional structure of economic interdependence has emerged and is strengthened because it has facilitated the "rolling readjustment of industries." This being the case, the main challenge to the region is to be able to sustain this process through increased coopera-

tion, in particular as resistance tends to build up and adjustents by sun-set industries become more painful. There was a suggestion that this process of rolling readjustment be made the focus of any useful regional institution.¹⁰

The region's successful economic performance has not only resulted from the conducive regional environment. As noted by Saburo Okita, a number of domestic factors and policies have greatly contributed to the success; they include the following: export oriented policies, a high rate of investment that is supported by a high rate of domestic savings, the active role of the private sector in the economy, great improvements in agriculture, and successful economic adjustment policies.¹¹ Although these factors are of real importance they do not fully explain why those countries -- especially the follower countries, namely the Asian NIEs and the ASEAN countries -- have opted for economic interdependence. Why these countries have been able to pursue their development along this strategy also deserves explanation.

The reasons may be complex and vary from one society to another. However, William Overholt has observed a shared logic in the development of the Asian NICs and the ASEAN countries and has offered a political-economic model to explain their success. His so-called Pacific-Asian model has the following elements: (a) stimulation of a sense of nationhood; (b) cleaning up of

¹⁰Harlan Cleveland, "The Future of the Pacific Basin," *Pacific Viewpoint*, vol. 25, no. 1 (1984), pp. 6-9.

¹¹Saburo Okita, "Pacific Development and Its Implications for the World Economy," in James W. Morley, ed., *The Pacific Basin -- New Challenges for the United States* (New York: Academy of Political Science, 1986), pp. 26-27.

institutions (from corruption, incompetence, etc.); (c) cracking down on crime, political strike, disorder; (d) repression of pressure groups that cause patronage, corruption, inflation; (e) coming to terms with the advanced industrial countries in order to share their capital, markets, and technology; (f) keeping military budgets small but development budgets high; (g) shifting to export-led growth; (h) reforming income distribution; (i) co-opting the Left with egalitarian reform, the Right with growth; (j) creating large, modern firms to enhance trade; (k) acquiring technology, capital, and trading from multinational corporations; (l) moving up a ladder that starts with labour-intensive sectors; (m) using authoritarian means if necessary to accomplish the above.¹² Overholt claims that the Pacific-Asian model is not only a successful economic model but it is also a successful political model. He correctly suggests that the linkage rests with the fact that economic growth makes politics no longer a zero-sum game.

Economic development and growth have much greater consequences for these nations: in addition to being a prerequisite for nation building, economic development and growth are seen as a crucial factor to the nation's internal stability and security. The ASEAN countries perceive the main threat to their security to originate mainly from within and accordingly have placed high priority on economic development as the most effective way to respond to this kind of threat. In addition, the legitimacy of their governments derives to a large extent from their successful economic development efforts. In these newly developing societies the collapse of the government could greatly af-

fect the nation's survival. Thus, economic development and growth become a political necessity. For the ASEAN countries as a group, an additional important incentive to vigorously pursue with their economic development was perhaps the need to compete with Indochina, following the fall of Saigon, for a successful development model.

The external environment facing the ASEAN countries today remains highly competitive. The case of the Asian NIEs, particularly Korea and Taiwan, shows that the competition continues to move from one field to another. As Linder points out, in addition to a "high tech" race there is also a race in "high ec," namely a competition in terms of systems of production.¹³ But perhaps, the biggest challenge to the ASEAN countries today is how they can effectively take part in the Pacific regional production structure that is rapidly taking shape.

ASEAN and the Pacific Regional Production Structure

Japan has definitely become the core of an emerging Pacific regional production structure. As shown in Table 2, Japan's manufacturing value added in 1987 already amounted to about one-third of the total for the wider Pacific region. This was still below that of the US which amounted to about 48 per cent of the region's total. However, manufacturing value added in the entire Western Pacific region had reached the level of the US in 1987, and may have surpassed it now.

¹²William Overholt, "The Moderation of Politics," in James W. Morley, *ibid.*, pp. 38-40.

¹³Staffan Burenstam Linder, *The Pacific Century -- Economic and Political Consequences of Asian-Pacific Dynamism* (Stanford: Stanford University Press, 1986), p. 20.

Japanese FDI (Foreign Direct Investment) plays a crucial role in the creation of this regional production structure in which the ASEAN countries have become an integral part. Seen from Japan, ASEAN is an attractive base for its overseas production.¹⁴ In a sense, Japanese FDI has become the instrument for the promotion of a system for the international division of labour.

The increase of Japanese FDI has been very dramatic. In 1980 Japanese FDI amounted to nearly US\$5 billion. This increased to almost ten times (US\$47 billion) in 1988. Equally significant has been the changes in the pattern of the new wave of Japanese FDI that was greatly stimulated by the yen appreciation. An important feature of recent Japanese FDI, especially in Asia, is that FDI by final producers is also accompanied by FDI by parts suppliers. In other words, the inflow of investments by large companies encourages investments by smaller companies that are the former traditional suppliers of parts and materials in the home country. This has led to the emergence of an integrated investment pattern.

As of the end of FY 1988 (March 31, 1989), cumulative Japanese FDI amounted to US\$186.4 billion. About 40 per cent of this total was in North America, primarily the US. Asia ranked second with about 17.3 per cent of the cumulative total. The past few years saw a trend of a faster increase of Japanese FDI to the industrialised countries. However, in terms of investment cases, Asia still ranks high. But the size of Japanese FDI per case in Asia is smaller than that in other regions. For instance, as of March 31, 1988, the average value per case of Japanese FDI

in Asia was US\$1.9 million as compared to US\$3.2 million in North America and US\$4.3 million in Europe.

The other trend has been of a slightly faster increase of Japanese FDI in the non-manufacturing sectors than in the manufacturing sector. Of the total stock of Japanese FDI, about 71 per cent are now in non-manufacturing sectors, led by FDI in banking, finance and insurance. Although the flow of Japanese FDI in manufacturing amounts to only about 30 per cent of the total, it is this kind of FDI that has become the spearhead of the globalisation strategy of Japanese companies. An important feature of Japanese FDI throughout the 1980s was the increasing share of the machineries sub-sectors (general, electric, and transport) in total Japanese FDI; their share in total manufacturing FDI has now increased to over 60 per cent from around 30 per cent in the 1970s. Also in ASEAN the share has reached 60 per cent now from less than 15 per cent in the mid 1970s.

Indeed, machineries can be characterised as industries of multi-production processes that lend themselves to an intra-industry and intra-firm division of labour among a wide range of host countries with different factor endowments. The electric machinery and electronics subsectors have led the rapid increase in Japanese FDI during the post-yen appreciation period (1986-1988). This also demonstrated the rapid shift towards overseas production. For instance, the overseas production ratio of Japanese machinery industries increased from less than 4 per cent in 1986 to over 12 per cent in 1988 and is expected to reach above 20 per cent in 1992.¹⁵

¹⁴Akiyoshi Sato and Akira Aoki, "The Role of ASEAN States as Production Bases," Parts I and II, *Pacific Business and Industries*, vol. I (1989), no. 3 and no. 4.

¹⁵Result of a survey conducted by the Japan Association of Machinery Exporters in November 1986 and November 1987.

As can be expected, the changing pattern of Japanese FDI also affects trade flows between Japan and the host countries of Japanese FDI. A large proportion of the exports of Japanese MNCs is shipped to their overseas affiliates. Indeed, the shares of intra-firm exports in the exports of Japanese multinational parents for the machinery sectors have been highest among various manufacturing sectors -- reaching to about 60 per cent in some cases -- and are continuing on the rise. Imports from Asian subsidiaries of Japanese FDI into Japan have also increased significantly.

A study by the Japan Economic Research Center projected that by the year 2000 Japanese FDI will amount to US\$130 billion and the stock of Japanese FDI will be over US\$1.2 trillion. By then, Japan's direct investment income will amount to US\$44 billion annually. The study also projected that manufacturers' outstanding investment overseas will increase by an annual average of 19 per cent.¹⁶ In addition, it showed that by the year 2000 the ratio of overseas production will be about 15 per cent for overall manufacturing, 45 per cent for electrical machinery, 31 per cent for automobiles, and 20 per cent for precision machines. The ratio of imports from subsidiaries to total imports, known as the "reverse import ratio", was expected to increase from 14 per cent in 1986 to 21 per cent by the early 1990s and to 53 per cent in the year 2000. This ratio will be high for automobiles, consumer electronics, camera, textiles, paper-pulp products, and non-ferrous metals.

The study also projected that by the year 2000 total Japanese imports will amount to

over US\$440 billion, of which 60 per cent will be imports of manufactured goods. Imports from ASEAN was projected to amount to about 10 per cent of total Japanese imports. The study may have underestimated ASEAN's share in view of the fact that in 1988 ASEAN's share was already about 12 per cent (see Table 4). In any case, ASEAN's ability to increase its share in the Japanese market would depend to some large extent upon the future trends of Japanese FDI in ASEAN.

A number of recent studies concluded that Japanese FDI will continue to shift to ASEAN from the Asian NIEs as the economic advantages of the latter group of countries diminish. In addition, the ASEAN countries themselves have encouraged the move toward establishing what has been called a "global buying network" and thus, they have been taking steps to take an active part in the process of globalisation of production. In Thailand, for example, parts manufacturers are given exemptions from some of the export requirements imposed on foreign manufacturers of finished products.

It seems that ASEAN's role and place in the Pacific regional production structure will greatly depend upon their policies and the measures taken to attract Japanese FDI as well as FDI from other Western Pacific countries (Korea, Taiwan). There are sufficient reasons for Japanese FDI in manufacturing to continue to seek production opportunities in the ASEAN countries. As of March 31, 1989, the stock of Japanese FDI in manufacturing in five ASEAN countries (excluding Brunei) amounted to about US\$8.3 billion or 44.5 per cent of total Japanese FDI in the Asian region. The ratio of Japanese FDI manufacturing to total Japanese FDI varies from 30.1 per cent in

¹⁶See, e.g. "Japan's Foreign Direct Investment in Developing Countries," *JEI Report*, no. 31A (11 August 1989).

Indonesia to 73.6 per cent in Malaysia. In total, ASEAN's share in the stock of Japanese FDI in manufacturing was 16.5 per cent as of March 31, 1989. This is not an insignificant amount. Given the rapid changes in the structure of the Japanese economy and the ASEAN economies, it can be expected that this trend will continue. In the end, a more horizontal division of labour could develop between ASEAN and Japan. This has been ASEAN's goal for a long time. And yet, the question now is whether the ASEAN countries are prepared to become part of a regional production structure with Japan as its core.

The implications of this emerging regional production structure upon trade relations in the region need to be examined. This may pose another challenge to ASEAN as the US looms large in the exports of all Western Pacific economies. All these suggest that it would make a lot of sense to make the process of "rolling readjustment" as the focus of Pacific economic cooperation. Undoubtedly, ASEAN has a great stake in the way this process continues to unfold into the future. Does ASEAN have the ability to influence this process?

ASEAN and Pacific Cooperation: A Concluding Note

In economic terms, ASEAN does not have considerable weight in the Pacific, but it cannot be ignored either. In terms of its population, ASEAN is not insignificant: in 1987 the ASEAN region had about 15 per cent of the entire population of the wider Pacific region and in the year 2000 the region will have a slightly larger share of about 16 per cent (see Table 2). The region's average per capita GNP is only about 16 per cent of the average for the wider Pacific region. As

shown in Tabel 1, the share of ASEAN's GDP was about 2.5 per cent of the total GDP of the wider Pacific region in 1987 and will not increase significantly in the year 2000. Its shares in the wider region's agricultural value added and manufacturing value added in 1987 were 11.9 per cent and 2.3 per cent, respectively. Table 3 shows that ASEAN is not an insignificant market for the exports of the countries in the wider Pacific region. In 1988, ASEAN's share was about 9 per cent of total intra-regional trade.

In the final analysis, the role of individual countries or a group of countries in the emerging Pacific regional economic structure does not solely depend upon a set of what might be considered "objective" factors, namely economic and technological factors. Other factors, political and even organisational or institutional, are of equal importance. The discussion at the beginning of the paper suggests that ASEAN has not made good use of the potentials it has to play an active part in the wider Pacific region. It now has the ambitions to become the core of an emerging Pacific regional mechanism. ASEAN has repeatedly proposed that an ASEAN-based mechanism be made the basis of an intergovernmental Pacific forum for regional consultation and cooperation. However, it cannot wish to do so unless its own internal (ASEAN) mechanism can function effectively.

Today, ASEAN seriously lacks the mechanism to deal with the fundamental task of formulating its role and position in the emerging Pacific regional economic structure. For example, if ASEAN fails to develop joint approaches -- including attempts to harmonise the investment regulations and policies within its region -- ASEAN should not complain when it finds itself being exploited by others.

Table 1

ASEAN AND THE WIDER PACIFIC REGION -- COMPARATIVE DATA (I)

| | Population (millions) | | GNP Per Capita (\$) | Area (ths. of Sq. Km) |
|-----------------|--------------------------|------------------|------------------------|--------------------------|
| | 1987 | 2000 | 2000 | 1987 |
| Brunei | * | * | 13,430 ^{a)} | 6 |
| Indonesia | 171 | 214 | 450 | 1,905 |
| Malaysia | 17 | 22 | 1,810 | 330 |
| Philippines | 58 | 74 | 590 | 300 |
| Singapore | 3 | 3 | 7,940 | 1 |
| Thailand | 54 | 65 | 850 | 514 |
| ASEAN | 303 | 378 | 680 (w) | 3,056 |
| China | 1,069 | 1,269 | 290 | 9,561 |
| Hong Kong | 6 | 6 | 8,070 | 1 |
| Japan | 122 | 128 | 15,760 | 378 |
| Korea | 42 | 48 | 2,690 | 98 |
| Taiwan | 20 | 24 ^{b)} | 5,075 | 36 |
| Australia | 16 | 20 | 11,100 | 7,687 |
| New Zealand | 3 | 4 | 7,750 | 269 |
| PNG | 4 | 5 | 700 | 462 |
| Western Pacific | 1,585 | 1,882 | 2,100 (w) | 21,548 |
| Canada | 26 | 29 | 15,160 | 9,976 |
| United States | 244 | 269 | 18,530 | 9,373 |
| PECC Members | 1,855 | 2,180 | 4,430 (w) | 40,897 |
| Chile | 13 | 15 | 1,310 | 757 |
| Mexico | 82 | 105 | 1,830 | 1,973 |
| Peru | 20 | 26 | 1,470 | 1,285 |
| Wider Pacific | 1,970 | 2,326 | 4,280 (w) | 44,912 |

Source: CSIS Data Base

* Less than 0.5 million

^{a)}1986^{b)}Estimate based on trend throughout 1970s

(w) = weighted average

Tabel 1a

ASEAN AND THE WIDER PACIFIC REGION -- COMPARATIVE DATA (I)
(Index and Per Cent of Totals)

| | GNP Per Kapita | Population | | Area |
|-----------------|------------------------|----------------------|------|----------------------|
| | 1987 (Pacific= 100) | (% of Total Pacific) | | (% of Total Pacific) |
| | | 1987 | 2000 | |
| Brunei | 314 | * | * | * |
| Indonesia | 11 | 8.7 | 9.2 | 4.2 |
| Malaysia | 42 | 0.4 | 0.9 | 0.7 |
| Philippines | 14 | 2.9 | 3.2 | 0.7 |
| Singapore | 186 | 0.2 | 0.1 | * |
| Thailand | 20 | 2.7 | 2.8 | 1.1 |
| ASEAN | 16 (w) | 15.4 | 16.3 | 6.8 |
| China | 7 | 54.3 | 54.6 | 21.3 |
| Hong Kong | 189 | 0.3 | 0.3 | * |
| Japan | 368 | 6.2 | 5.5 | 0.8 |
| Korea | 63 | 2.1 | 2.1 | 0.2 |
| Taiwan | 119 | 1.0 | 1.0 | 0.1 |
| Australia | 259 | 0.8 | 0.9 | 17.1 |
| New Zealand | 181 | 0.2 | 0.2 | 0.6 |
| PNG | 16 | 0.2 | 0.2 | 1.0 |
| Western Pacific | 49 (w) | 80.5 | 80.9 | 48.0 |
| Canada | 354 | 1.3 | 1.2 | 22.2 |
| United States | 433 | 12.4 | 11.6 | 20.9 |
| PECC Members | 104 (w) | 94.2 | 93.7 | 91.1 |
| Chile | 31 | 0.7 | 0.6 | 1.7 |
| Mexico | 43 | 4.2 | 4.5 | 4.4 |
| Peru | 34 | 1.0 | 1.1 | 2.9 |
| Wider Pacific | 100 | 100 | 100 | 100 |

Source: CSIS Data Base

* Insignificant

(w) = weighted average

Table 2

ASEAN AND THE WIDER PACIFIC REGION -- COMPARATIVE DATA (II)

| | GDP (Millions \$) | Agricult. VA (Millions \$) | Manufacturing VA (Millions \$) |
|-----------------|----------------------|-------------------------------|-----------------------------------|
| | 1987 | 1987 | 1987 |
| Brunei | 3,040 ^a | 57 ^b | - |
| Indonesia | 69,670 | 17,769 | 10,592 |
| Malaysia | 31,230 | 6,876 | 7,380 |
| Philippines | 34,580 | 8,371 ^b | 7,584 ^b |
| Singapore | 19,900 | 105 | 4,678 |
| Thailand | 48,200 | 7,745 | 9,700 |
| ASEAN | 206,620 | 40,923 | 39,934 |
| China | 293,380 | 90,102 | 91,463 |
| Hong Kong | 36,530 | 171 | 7,978 |
| Japan | 2,376,420 | 65,384 | 573,536 |
| Korea | 121,310 | 13,817 | 29,397 |
| Taiwan | 97,270 | 5,184 ^b | 37,313 ^b |
| Australia | 183,280 | 7,115 | 29,296 |
| New Zealand | 31,850 | 3,210 | 5,037 |
| PNG | 3,030 | 858 | 228 |
| Western Pacific | 3,349,690 | 226,764 | 814,182 |
| Canada | 373,690 | 10,449 | 59,617 |
| United States | 4,497,220 | 87,482 | 835,793 |
| PECC Members | 8,220,600 | 324,695 | 1,709,592 |
| Chile | 18,950 | 1,823 ^b | 4,387 ^b |
| Mexico | 141,940 | 12,205 | 31,968 |
| Peru | 45,150 | 4,773 | 6,746 |
| Wider Pacific | 8,426,640 | 343,496 | 1,752,693 |

Source: CSIS Data Base

^a1986^bEstimated based on shares in GDP at factor cost

Table 2a

ASEAN AND THE WIDER PACIFIC REGION -- COMPARATIVE DATA (II)
(Per Cent of Totals)

| | GDP in | Agricultural Value Added in | Manufacturing Value Added in |
|-----------------|--------|--------------------------------|---------------------------------|
| | 1987 | 1987 | 1987 |
| Brunei | * | * | * |
| Indonesia | 0.8 | 5.2 | 0.6 |
| Malaysia | 0.4 | 2 | 0.4 |
| Philippines | 0.4 | 2.4 | 0.4 |
| Singapore | 0.2 | * | 0.3 |
| Thailand | 0.6 | 2.3 | 0.6 |
| ASEAN | 2.5 | 11.9 | 2.3 |
| China | 3.5 | 26.2 | 5.2 |
| Hong Kong | 0.4 | * | 0.5 |
| Japan | 28.2 | 19 | 32.7 |
| Korea | 1.4 | 4 | 1.7 |
| Taiwan | 1.2 | 1.5 | 2.1 |
| Australia | 2.2 | 2.1 | 1.7 |
| New Zealand | 0.4 | 0.9 | 0.3 |
| PNG | * | 0.2 | * |
| Western Pacific | 39.8 | 66 | 46.5 |
| Canada | 4.4 | 3 | 3.4 |
| United States | 53.4 | 25.5 | 47.7 |
| PECC Members | 97.6 | 94.5 | 97.5 |
| Chile | 0.2 | 0.5 | 0.3 |
| Mexico | 1.7 | 3.6 | 1.8 |
| Peru | 0.5 | 1.4 | 0.4 |
| Wider Pacific | 100 | 100 | 100 |

Source: CSIS Data Base

* Insignificant

Table 3

ASEAN EXPORT TRADE WITH THE WIDER PACIFIC REGION -- 1988
(Millions of US\$)

| | ASEAN | Western Pacific | PECC Members | Wider Pacific | World |
|-----------------|--------|--------------------|-----------------|------------------|-----------|
| Brunei | 288 | 1,686 | 1,713 | 1,713 | 1,987 |
| Indonesia | 2,082 | 12,981 | 16,220 | 16,238 | 19,376 |
| Malaysia | 5,149 | 12,050 | 15,871 | 15,923 | 21,125 |
| Philippines | 486 | 2,796 | 5,415 | 5,420 | 7,084 |
| Singapore | 8,409 | 18,619 | 28,345 | 28,414 | 39,322 |
| Thailand | 1,863 | 6,490 | 9,955 | 9,969 | 15,992 |
| ASEAN | 18,277 | 54,602 | 77,519 | 77,677 | 104,886 |
| China | 2,822 | 29,521 | 33,310 | 33,370 | 47,663 |
| Hong Kong | 3,834 | 27,626 | 44,562 | 44,703 | 63,166 |
| Japan | 21,399 | 80,324 | 176,995 | 179,255 | 264,961 |
| Korea | 3,048 | 20,592 | 43,762 | 44,206 | 61,178 |
| Taiwan | 4,747 | 21,618 | 49,693 | 49,939 | 52,000 |
| Australia | 2,618 | 18,945 | 23,059 | 23,151 | 32,751 |
| New Zealand | 438 | 4,462 | 5,544 | 5,644 | 8,833 |
| PNG | 84 | 876 | 914 | 914 | 1,396 |
| Western Pacific | 57,267 | 258,566 | 455,358 | 458,859 | 636,834 |
| Canada | 960 | 13,485 | 95,475 | 96,039 | 116,220 |
| United States | 12,887 | 92,806 | 162,039 | 184,545 | 320,385 |
| PECC Members | 71,114 | 364,857 | 712,872 | 739,443 | 1,073,439 |
| Chile | 161 | 1,603 | 3,045 | 3,132 | 7,061 |
| Mexico | 129 | 2,233 | 24,603 | 24,699 | 29,373 |
| Peru | 7 | 584 | 1,208 | 1,268 | 2,689 |
| Wider Pacific | 71,411 | 369,277 | 741,728 | 768,542 | 1,112,564 |

Source: CSIS Data Base

Table 3a

ASEAN EXPORT TRADE WITH THE WIDER PACIFIC REGION -- 1988
(Percentages)

| | Export to Wider Pacific as % of Export to World | Export to ASEAN | Export to Western Pacific | Export to PECC Members |
|-----------------|--|-----------------------------------|---------------------------------|---------------------------|
| | | (as % of Export to Wider Pacific) | | |
| Brunei | 86.2 | 16.8 | 98.4 | 100.0 |
| Indonesia | 83.8 | 12.8 | 79.9 | 99.9 |
| Malaysia | 75.4 | 32.3 | 75.7 | 99.7 |
| Philippines | 76.5 | 9.0 | 51.6 | 99.9 |
| Singapore | 72.3 | 29.6 | 65.5 | 99.8 |
| Thailand | 62.3 | 18.7 | 64.9 | 99.9 |
| ASEAN | 74.1 | 23.5 | 70.3 | 99.8 |
| China | 70.0 | 8.5 | 88.5 | 99.8 |
| Hong Kong | 70.8 | 8.6 | 61.8 | 99.7 |
| Japan | 67.7 | 11.9 | 44.8 | 98.7 |
| Korea | 72.3 | 6.9 | 46.6 | 99.0 |
| Taiwan | 96.0 | 9.5 | 43.3 | 99.5 |
| Australia | 70.7 | 11.3 | 81.8 | 99.6 |
| New Zealand | 63.9 | 7.8 | 79.1 | 98.2 |
| PNG | 65.5 | 9.2 | 95.8 | 100.0 |
| Western Pacific | 72.1 | 12.5 | 56.3 | 99.2 |
| Canada | 82.6 | 1.0 | 14.0 | 99.4 |
| United States | 57.6 | 7.0 | 50.3 | 87.8 |
| PECC Members | 68.9 | 9.6 | 49.3 | 96.4 |
| Chile | 44.4 | 5.1 | 51.2 | 97.2 |
| Mexico | 84.1 | 0.5 | 9.0 | 99.6 |
| Peru | 47.2 | 0.6 | 46.1 | 95.3 |
| Wider Pacific | 69.1 | 9.3 | 48.0 | 96.5 |

Source: CSIS Data Base

Table 4

ASEAN IMPORT TRADE WITH THE WIDER PACIFIC REGION -- 1988
(Millions of US\$)

| | ASEAN | Western Pacific | PECC Members | Wider Pacific | World |
|-----------------|--------|--------------------|-----------------|------------------|-----------|
| Brunei | 545 | 657 | 743 | 743 | 1,256 |
| Indonesia | 1,329 | 7,040 | 9,069 | 9,134 | 13,489 |
| Malaysia | 3,110 | 9,806 | 12,936 | 12,981 | 16,567 |
| Philippines | 852 | 4,314 | 6,228 | 6,256 | 8,662 |
| Singapore | 7,992 | 24,795 | 31,886 | 32,000 | 43,469 |
| Thailand | 2,448 | 7,074 | 10,073 | 10,144 | 16,292 |
| ASEAN | 16,276 | 53,686 | 70,935 | 71,258 | 99,735 |
| China | 3,043 | 27,633 | 36,122 | 36,648 | 55,352 |
| Hong Kong | 4,709 | 46,468 | 52,113 | 52,224 | 63,900 |
| Japan | 22,621 | 67,657 | 118,225 | 121,251 | 187,483 |
| Korea | 3,263 | 22,624 | 36,578 | 37,095 | 51,433 |
| Taiwan | 2,757 | 19,457 | 32,411 | 32,850 | 43,000 |
| Australia | 1,959 | 13,854 | 21,839 | 21,921 | 33,334 |
| New Zealand | 213 | 3,701 | 5,069 | 5,096 | 7,378 |
| PNG | 124 | 1,068 | 1,187 | 1,187 | 1,315 |
| Western Pacific | 54,965 | 256,148 | 374,479 | 379,530 | 542,930 |
| Canada | 1,197 | 14,463 | 84,913 | 86,082 | 108,878 |
| United States | 21,933 | 187,841 | 269,275 | 294,847 | 459,910 |
| PECC Members | 78,095 | 458,452 | 728,667 | 760,459 | 1,111,718 |
| Chile | 46 | 721 | 1,833 | 1,935 | 5,074 |
| Mexico | 71 | 2,504 | 23,566 | 23,592 | 27,546 |
| Peru | 13 | 185 | 859 | 958 | 2,109 |
| Wider Pacific | 78,225 | 461,862 | 754,925 | 786,944 | 1,146,447 |

Source: CSIS Data Base

Table 4a

ASEAN IMPORT TRADE WITH THE WIDER PACIFIC REGION -- 1988
(Percentages)

| | Imports from Wider Pacific as % of Imports from the World | Import from ASEAN | Import from Western Pacific | Import from CC Members |
|-----------------|--|-----------------------------------|--------------------------------|---------------------------|
| | | (as of Import from Wider Pacific) | | |
| Brunei | 59.2 | 73.4 | 88.4 | 100.0 |
| Indonesia | 67.7 | 14.6 | 77.1 | 99.3 |
| Malaysia | 78.4 | 24.0 | 75.5 | 99.7 |
| Philippines | 73.2 | 13.6 | 69.0 | 99.6 |
| Singapore | 73.6 | 25.0 | 77.5 | 99.6 |
| Thailand | 62.3 | 24.1 | 69.7 | 99.3 |
| ASEAN | 71.4 | 22.8 | 75.3 | 99.6 |
| China | 66.2 | 8.3 | 75.4 | 98.6 |
| Hong Kong | 81.7 | 9.0 | 89.0 | 99.8 |
| Japan | 64.7 | 18.7 | 55.8 | 97.5 |
| Korea | 72.1 | 8.8 | 61.0 | 98.6 |
| Taiwan | 76.4 | 8.4 | 59.2 | 98.7 |
| Australia | 65.8 | 8.9 | 63.2 | 99.6 |
| New Zealand | 69.1 | 4.2 | 72.6 | 99.5 |
| PNG | 90.3 | 10.4 | 90.0 | 100.0 |
| Western Pacific | 69.7 | 14.5 | 67.5 | 98.7 |
| Canada | 79.1 | 1.4 | 16.8 | 98.6 |
| United States | 64.1 | 7.4 | 63.7 | 91.3 |
| PECC Members | 68.4 | 10.3 | 60.3 | 95.8 |
| Chile | 38.1 | 2.4 | 37.3 | 94.7 |
| Mexico | 85.6 | 0.3 | 10.6 | 99.9 |
| Peru | 45.4 | 1.4 | 19.3 | 89.7 |
| Wider Pacific | 68.6 | 9.9 | 58.7 | 95.9 |

Source: CSIS Data Base

Book Reviews

When the Royal Court and the National Movement Court Each Other

Masa Menjelang Revolusi, Kraton dan Kehidupan Politik di Surakarta (in English, *On the Eve of the Revolution, Kraton and Political Life in Surakarta*, translated by A.B. Lopian), by George D. Larson. Yogyakarta: Gadjah Mada University Press, 1990, 344 pp. This review article by Onghokham is translated from *Tempo*, 30 June 1990.

THE historical period, which is called the period of the national movement (1908-1942), has only recently begun to be a topic of research. Therefore any book on that era is very wellcome, especially as it concerns regional history. There are only a few books on regional nationalist movements, i.e. the book written by A. Reid *Blood of the People*, which deals with the revolution in Aceh and North Sumatra and also deals with the national movement period.

Larson's work is highly detailed and abounds in material about the development of the national movement and politics at the

royal courts in Surakarta. If there are any criticisms of this book, they are not due to any attempt on our part to detract merit from his work. The facts and details of those times are presented without further ado, ignoring the more profound issues, which should have provided the cultural background or made the analysis more incisive and more comprehensive.

In the last decades of Dutch colonialism, both courts in Surakarta, the *Sunanate*, as well as the *Mangkunegaran*, were ruled by rather special princes. *Susuhunan Pakubuwono X* (1893-1939), was the longest reigning prince in Javanese history. He was physically big and was a great man in the eyes of the Javanese of his time. So he was dubbed *Ingkang Wicaksono* (the Prudent One).

Mangkunegoro VII was also an outstanding personality with considerable charisma. He patronised the arts, was very sociable, and paid special attention to Javanese language and literature. In short, he was one of the pillars of Javanese cultural revival. Before he headed the *Mangkune-*

garan Court, he had been a member of *Budi Utomo*, a prominent cultural association, had lived in the Netherlands for some time, and had been able to acquire a lot of experience. He was obliged, however, to resign his membership in Budi Utomo after his elevation to *Mangkunegoro*.

In this period, the Dutch increasingly curtailed the power of the princes. They restricted the latter's agrarian power by promulgating the *Agrarische Regeling* (Agrarian Regulations). The power of the Dutch Resident to intervene with the princes' authority expanded to the point of meddling in the financial and family affairs of the royal courts. The political contract that a newly ascending ruler had to sign with the Dutch East Indies Government, like the one concluded in Yogyakarta between Sultan Hamengkubuwono VIII (1929) and the Dutch Government, effectively trimmed the Sultan's power.

At the court of the Sunan, people feared that the same thing would happen in Surakarta. There were even fears that the Dutch would totally abolish the Javanese princely states as they had done with Banten and Cirebon (early 19th century) and Madura (20th century). In brief, people were not satisfied with the Dutch policy.

It was in this setting that the exponents of the national movement, *Budi Utomo*, *Syarikat Islam*, and others emerged. From the outset both parties started wooing each other, especially *Budi Utomo/Syarikat Islam* and the royal courts. A few princes, like Hadiwijoyo and Kusumo Yudo, were actively engaged in the organisation of this movement; there were pressures on the *Susuhunan* to prohibit activities of the royal courts' princes in the national movement.

Here Larson is sometimes rather confusing. In some places he refers to the involvement of certain princes in the national movement as court policy. But he also states that only a few educated princes were involved, such as Hadiwijoyo and Kusumo Yudo. So it is difficult to ascertain if this involvement was due to court policy.

Then what was the real court's policy in this period? If there really were a certain policy adopted by *Ingang Wicaksono* (*Susuhunan Pakubuwono X*), who flirted with the national movement, which I doubt, this was obviously due to fear of a possible reduction, or even elimination, of the *Sunanate*. This threat prompted the court to look for popular support, which was quite a commonplace practice. The people were indeed represented by the national movement, because it was an alternative to Dutch power. This was exactly what was sought after by the movement in its "flirtation" with the court, i.e. legitimation in the eyes of the people. In the same period, the *Sunan's* court had a plan to annex the *Mangkunegaran* Territory and the court used the national movement to further this aim. Viewed from this aspect, if there was any rapprochement between the *Sunanate* and the national movement, it was merely to fulfill long standing aims namely to annex the *Mangkunegaran* Territory and not for the sake of the national movement itself, or its goals.

In fact, the real leaders in Larson's work with regard to the court in the national movement period were the anti-court people such as Cipto Mangunkusumo and Haji Misbach. These men viewed the court (*kraton*) as an outdated institution, which needed to be abolished.

The radical politicians bring us to the phenomenon of *Sarekat Rakyat/Merah* and

to the peak of the movement's radicalism in Solo. There were strikes, demonstrations against the court and other types of opposition. On one occasion, a bomb was thrown into the procession that include a Governor General who was visiting the princely states. No one knows who the culprit was.

The translation of this book from English into Indonesian by the well-known

historian Dr. A.B. Lopian is noteworthy, as it is very good, as readable as the original.

There is only one observation. Why has the term *patih* or prime minister been translated into *wazir*? Could this be due to the word vizier used in the original? The use of the word *wazir* for *patih* identifies the *Sunanate*, the *Mangkunegaran* or the *Sultanate* with the *Sultanate* of Langkat or Johor.

Migration and Labour of Farmer Families

Labor Allocation and Rural Development, by Phillip Guest. San Francisco & London: Westview Press, Boulder, 1989, 229 pp. This review article by Tommy Firman is translated from *Editor*, 18 August 1990.

MANY observers of agricultural development in Java are of the opinion that the success of the agricultural development, which was initiated during the First Five Year Development Plan (Repelita I) has not been balanced by a creation of new job opportunities. Job opportunities are more often in non-farming activities such as wage labour in the urban informal sector, and in public works projects. During the oil bonanza period, the Government's ability to implement these projects was great, but with declining oil prices in the world market, this ability also diminished.

Given this situation a group of researchers in Java are currently interested in the impact of the conditions on farmer households, especially on small landholders or landless households. In short, the focus of attention is on the question of how those farmer households manage to subsist and improve their standard of living.

This book argues that with the limited sources of livelihood, consciously or unconsciously, farm families are applying a very flexible allocation of labour among their members, including women and even children, in order to maximise income for their households. The households have become income pooling units and the wealth is shared.

This may be regarded as one labour allocation strategy, another is migration. In short, rural households send one or more of

their members to the cities in the hope they will be able to send money back to the village to supplement the family income.

This book, a Ph.D. dissertation from Brown University, in Providence, Rhode Island, is based on research conducted in four villages in the *Kabupaten* (regency) of Sukoharjo, Central Java: Kenep, Mandan, Jombor, and Wonorejo. The author, Dr. Phillip Guest debates the Agricultural Involvement theory proposed by Clifford Geertz, particularly on shared poverty as a source of family resilience in the farming community in Java.

The debate grew out of research findings in Java in the nineteen seventies (1970), and nineteen eighties (1980), which concluded that Geertz's research had been too much focussed on the *sawah* (wet rice-field) as the sole source of income for the farmer's households and their unawareness of the differences in the ownership of agricultural land. The scholar suggested that migration was one of the solutions to the declining level of family incomes (this particularly occurs in villages undergoing population pressure). Nevertheless, it should be noted that in the villages, where there are widely striking differences in the varying landownership patterns of arable land, permanent migration are more frequent.

On the other hand, daily migrations frequent in villages where a high percentage of the work force is in agricultural sector. It is, therefore, difficult to understand why farmers in these villages employ the most farm labourers from outside the village. These findings lead the writer to conclude that the differences in the allocation of manpower in rural households and different types of migration (daily or permanent), are affected by rural socio-economic conditions.

In a detailed analysis, Guest tries to show the connection between labour allocation, demographic, as well as the socio-economic structure of the rural households, and job opportunities in the villages. This study explains why some farm families make efforts to send more members of their families to the cities, than others.

The summary and the review of rural studies in Java conducted until 1988 (as comparative material and concurrently as background), is systematically arranged in a language easily accessible to the general reader. The perspectives on migration discussed in this book are comprehensive. The study of households, which are often conducted to highlight the problems of rural and population development, and the impact of socio-economic, as well as political changes on rural existence and vice versa, are analysed in a very interesting and challenging way.

In short, this book shows that migration should not be regarded as an exclusively geographic function, but as a part of the socio-economic transformation of a developing community. Therefore, this book is worth reading by social scientists, especially observers of rural and demographic problems, and by development planners.

Nevertheless, there are a few points in this book which strike one as unusual. *First*, the concept of labour allocation strategies in the household, which was first introduced by Latin American social scientists, is applied in a mechanistic manner, without reference to any study of cultural elements that have been rooted in Javanese community since time immemorial.

Second, is the author's view of the Javanese family as a decision-making

unit which ought to take into account the desires of individual members. The process of decision-making in a farmer household is quite complex, and not as linear and straightforward as portrayed by Dr. Phillip Guest.

The conclusions in this book are too heavily based on a quantitative analysis,

which fails to take into account sufficiently immeasurable factors, such as cultural aspects. It is apparent that the time spent on interviews with the farmers was too short; only two weeks in September 1985 (page 78), so that a lot of information was missing from the analysis.

Social Dualism and Radicalism of the "Surabaya Boys"

Views and Upheaval's: Urban Community and the Birth of the Indonesian Revolution (in Indonesian, *Pandangan dan Gejolak: Masyarakat Kota dan Lahirnya Revolusi Indonesia, Surabaya 1926-1946*, translated by Herman Sulistyono), by William H. Frederick. Jakarta: Gramedia, 1989, xxxiii+418 pp. This review article by Budiawan is translated from *Basis*, no. 4, April 1990.

community according to the book written by William F. Frederick.

This book is based on the author's Ph.D. dissertation, which was the result of library, archival and field researches conducted between 1969 and 1978. The author tried to trace various sources about the Surabayan community in the fifteen years of Dutch colonial rule, up to the Japanese occupation and the early days of the Independence Revolution. With such rich and varied sources, in the form of archives, diaries and newspapers from libraries in Japan, the Netherlands, Great Britain, and Indonesia, complemented by interviews with persons who were involved subjectivity could be minimised. In other words, the author was able to distance himself from his subject, so that as a scientific study this book has a great deal of value added.

THE local factors of the Indonesian Revolution can be understood not only from the conflicts between pro and anti-colonial elites -- the latter usually was very firmly rooted in the lower strata as was the case in Aceh, East Sumatra, the Districts of Pekalongan (the Three Regions), and Surakarta -- but also on the basis of inter-ethnic or racist sentiments. This perspective is applicable to the multi-ethnic or multi-racist urban society where the ethnic majority is not integrated into the existing social system. Among other things, this can be observed in the Surabayan

The most outstanding one is the author's conscientiousness in capturing the social dynamics of the Surabayan community. He states that since the end of the Dutch colonial period, together with the continuously

increasing role of this city as one of the industrial and commercial centres in Java, and even in the Eastern part of the Netherlands East Indies, the Surabayan community actually displayed the characteristics of dualism. This dualism was physically evident from the rise of some exclusive residence compounds of Europeans, Eurasians, Ambonese, Chinese, and a small number of Madurese on the one hand, and a sea of slums (*kampungs*) inhabited by the "indigenous" Surabayans or those commonly called *Arek-arek Surabaya* (Surabaya Boys) on the other hand. This distinction was made because in every municipal policy conducted by the *Gemeenteraad* (City Council) of which more than two third of its members made up of whites and Eurasians, the *kampungs* of those *Arek-arek Surabaya* were never taken into consideration. This is due to the fact that they were regarded outsiders by the Colonial Government or people outside the colonial bureaucratic pattern. On the basis of such a considerations, the municipal government felt it had a strong legal basis, every time it wanted to build new compounds for residential quarters of offices, for which purpose they had to remove those slums (*kampungs*).

This discriminative municipal policy adopted against the *Arek-arek Surabaya* brought about a very complex impact. One side of this impact which showed up physically was the increasing encirclement of the *kampungs* of the Surabayans by exclusive residential quarters. This caused communications with the outside world to become highly dependent on the "generosity" of the municipal government. The consequence of this dependence was the increased subjection of the *Arek Surabaya* to colonial administration. This subjection

subsequently caused the *kampungs* to seclude themselves more and more. A feeling of hostility against the symbols encircling them became increasingly stronger. And this dissatisfaction sometimes manifested itself in the form of violent protests which only ended after "the machinery of colonial law" had intervened. Even so the *kampungs* continued to constitute a region of smouldering emotions (page 13). The process of marginalisation of the *Arek Surabaya* which the author characterised as the urban proletariat, became increasingly intensive after the coup of the Indonesian Communist Party from 1926 to 1927 which subsequently failed. The Government increasingly kept on guard against the workers. Thousands of workers were dismissed only on account of their ability to read, because they were highly susceptible to Communist propaganda. Apart from this, the police also searched the *kampungs*. Naturally this left an indelible impression on the Surabayans who had witnessed these actions (page 14).

This process of marginalisation subsequently led them to seek protection from their "patrons" in their own *kampungs*. These patrons constituted the *kampung* middle class which was characterised by their economic independence. It was these patrons who made up the main financial supporters of certain peer-groups usually called *sinoman* groups which were formed to forge communal ties among them. One example of a wellknown *kampung* middle class group was the Abdulgani family who gave birth to and raised Ruslan Abdulgani, a nationalist leader.

These patronage relations in the ensuing development grew into some kind of emotional bonds which were capable of functioning as effective channels for ideas

coming in from outside. It may be said that the entry of *Nahdlatul Ulama* or *Muhammadiyah* took place through these bonds. This was also the case with the idea of nationalism which was developed by Soekarno who was becoming very popular among the circles of the *Arek-arek Surabaya* toward the end of the 1920s. These ideas, even if they were not fully comprehended, increasingly intensified their resentment against the encircling ethnic or racialist groups.

During the Japanese occupation, crystallisation of emotions continued. Especially owing to the attitude of the Japanese occupation Government which acted repressively and wanted to control everything, the *Arek-arek Surabaya* became more and more reactionary. Nearly any instruction of the authorities came to naught as soon as it entered the *kampung*s the Japanese had split up in various units called *tonarigumi* (neighbourhood association). Every hope to be able to stir up the younger generation, either for the purpose of supporting war efforts or in order to make them behave properly according to the Japanese concept, for the greater part failed to materialise (page 201).

The description of the social dynamics of the *kampung* community hidden behind the colonial mansions and exclusive residential areas as well as Chinese business centres nearly dominates the whole book. As admitted by the author himself, although the book deals a lot with Surabaya in a given period, the work does not constitute urban history, but rather social history. As an account of social history, the book has tried to record the under-current moving under the ups and downs of the national movement (in the 1930s) and repression of Japanese occupation. In tracing all of these, the author has arrived at a conclusion that actually in the

wake of the Dutch Colonial period up to that of the Japanese occupation, there is one continuous historical current. This opinion simultaneously contradicts the thesis of Western scholars who tend to put the Japanese occupation as a period of the formation of a new Indonesia, apart from the preceding Dutch Colonial era. This opinion is represented by Benda, Kahin, and Anderson who are usually grouped with the Cornell School of Thought.

The continuous historical current finally flowed out into the early days of the struggle for Independence. The resentments against the ethnic groups on "the other side" which had been crystalised for almost two decades, emerged as an upheaval manifested in the incident of the tearing down of the Dutch flag at Tunjungan, followed by un-controlled "tempest-like" actions against "the other side", in the form of expropriations, evictions, killings, and the like. According to the author, these scenes equalled the most hideous moments in the French Revolution (page 334). These scenes reached an anti-climax on the bloody days after November 10, 1945, when they faced the bombardments of the British (Allied) troops whom they suspected of intending to reinstate Dutch power. This upheaval as a materialisation of the struggle for freedom eventually took its toll of ten thousands of casualties among the *Arek-arek Surabaya*, only in a span of about three weeks. The heroism of the *Arek-arek Surabaya*, which in spite of their physical defeat was very inspiring, is commemorated as Heroes Day on every 10th of November.

This book, besides being rich in references which make for detailed facts in the reconstruction of events, is also imaginative. Apparent trifles found during the re-

search, especially those connected with the dynamics of the *kampung* community are presented in this book in the form of abstractions without being trapped in analyses as is usually the case with social sciences. This is due to the fact that the author realises that the diachronic aspect which differentiates historical studies from other social studies, is to be constantly kept. This book as it were presents social scenes

which has been given a certain meaning, without, however, being trapped in static assigning of meanings which is usually done for the purpose of finding patterns of human behaviour.

As a concluding note, there is a minor correction. On page 317 it is written that Amir Sjarifuddin was minister of education. This should be: minister of information.

Contributors



- Paridah ABD. SAMAD,
Lecturer, School of Mass Communication-Institut Teknologi Mara (ITM), selangor, Malaysia.
- J. Soedjati DJIWANDONO,
Editor, *The Indonesian Quarterly*, and member of the Board of Supervisory, CSIS. He obtained his MSc. and Ph.D. on International Relations from London School of Economics and Political Science, University of London, 1982.
- K.S. NATHAN,
Associate Professor in the Department of History, University of Malaya. He is also President, the newly formed Malaysian International Affairs Forum (MIAF). He earned a Bachelor's Degree in History, University of Malaya, 1971 and Ph.D. in International Relations from Claremont Graduate School, California, USA, 1975.
- Hadi SOEŠASTRO,
Executive Director and member of the Board of Directors, CSIS. He obtained Dipl.Ing. from the Faculty of Aeronautical Engineering, Rheinische-Westphaelische Technische-Hochschule, Aachen, West Germany, 1971, and Ph.D. from The Rand Graduate School of Policy Studies, Santa Monica, Calif., 1978. In 1988-1989 he was Visiting Fellow of Columbia University, N.Y.
- A.R. SUTOPO,
Research Staff, CSIS. He graduated from Faculty of Social and Political Sciences, Gadjah Mada University, Yogyakarta, 1975 and obtained his M.A. on International Relations from Australian National University, Canberra, Australia, 1982.
- Jusuf WANANDI,
Chairman, Supervisory Board, CSIS; member Board-of Governors, East West Center, Honolulu. He graduated from the Faculty of Law and Social Sciences, University of Indonesia (1960). In 1977 he was Congressional Fellow sponsored by the American Political Science Association (APSA).

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